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PROGRESS OF CALIFORNIA CENTURY FREEWAY (INTERSTATE ROUTE 105)

(98-32)

HEARING

BEFORE THE

SUBCOMMITTEE ON SURFACE TRANSPORTATION

OF THE

COMMITTEE ON
PUBLIC WORKS AND TRANSPORTATION
HOUSE OF REPRESENTATIVES

NINETY-EIGHTH CONGRESS

FIRST SESSION

AUGUST 11, 1983, AT DOWNEY, CALIF.

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PROGRESS OF THE CALIFORNIA CENTURY FREEWAY (INTERSTATE ROUTE 105)

THURSDAY, AUGUST 11, 1983

House of Representatives,
Subcommittee on Surface Transportation,
Committee on Public Works and Transportation,
Downey, Calif.

The subcommittee met, pursuant to notice, at 10:15 a.m. in the city council chambers, 8425 Second Street, Hon. Glenn M. Anderson (chairman of the subcommittee) presiding.

Also present: Hon. Augustus F. Hawkins, Member of Congress; and Hon. David Dreier, Member of Congress.

Mr. Anderson. The meeting of the Subcommittee on Surface Transportation will come to order. I am very pleased to have my colleague, Hon. Gus Hawkins, here with us and I will ask him for a few remarks in a couple of minutes.

Gus we are now currently in your district, right?

Mr. Hawkins. Yes. In the current district.

Mr. Anderson. So, we will let you give us a congressional welcome in a minute.

Of course, at my left I have Paul Schlesinger, who is a professional staff member and my right arm on the subcommittee, and Ken House, who is on the professional staff of the Public Works and Transportation Committee is at Mr. Hawkins' right. We are expecting Congressman Dreier at about 11 o'clock.

The Surface Transportation Subcommittee is meeting today to receive testimony on what is perhaps the most important transportation project in our region and one which has certainly been the most delayed; the Century Freeway. Aside from its obvious regional importance, the barren swath that is presently the Century Freeway also represents a major gap in our Nation's Interstate System.

As we have watched the freeway corridor deteriorate, we have elsewhere around the country seen the Interstate System bloom to the point where now 95 percent of it is constructed.

One of the consequences of delays in the construction of the Century has been an increase in project cost. There has been a rule of thumb in the highway industry that the construction cost index rises at a pace 50 percent greater than the general inflation rate. The latest estimated price tag that I have seen for completion of the freeway approaches 1.6 billion dollars. This amount would be much greater were it not for modifications in the consent decree that were agreed to in 1981.

Throughout the last decade the I–105, as the Century Freeway is designated, has gotten so bogged down in so many issues, and has come to mean so many different things to different people that I do believe that some have lost sight of why the project was initially proposed. That was to provide an East-West transportation corridor that will move people and freight from the area that we are in today to the coastal communities with their industry, employment, and the L.A. Airport.

Today, I am as convinced as ever of the need for this project. It is vital to the present and projected transportation needs of the region. Of course, I recognize the housing needs that exist and am appreciative of the enormous economic boost the freeway will give to the communities along the corridor. But it is lack of mobility that may one day strangle our County and it is that mobility that this freeway will provide.

It is because the Century Freeway is so important that I brought this Subcommittee to Lynwood last October to receive a status report on the project, review any problems that existed, and learn of any prospective problems that could further delay construction.

At that hearing, you will remember, we uncovered a problem that not only threatened to delay, but endangered the viability of the entire project. Federal interpretation of a technical provision in the law, we discovered, might have caused the Department of Transportation to delete the western-most 5 miles of the freeway.

I think we can all agree, even here in the eastern section of the corridor, that a Century Freeway that stops 5 miles from its western terminus does not make much sense from a regional transportation perspective.

To remedy this potentially disastrous situation, I included language in the Surface Transportation Assistance Act of 1982 clarifying and correcting the provision of law that threatened the I–105. It is problems such as this, should any exist, that I want to learn about today so that we may overcome them and prevent further delays before they occur.

It may be, though, that today's hearing will be more upbeat than last year's. I am heartened by Kirk West's announcement last week that Caltrans will begin more than $95 million in housing and highway work by December 31 of this year. This is a step in the right direction and I am sure we will be learning more about this later this morning.

For now, let me say how pleased I am to be here in Downey and express my appreciation for the city's hospitality in opening its doors to us. Before I recognize the mayor, I am going to recognize your Congressman, the Honorable Gus Hawkins.

Mr. HAWKINS. Thank you, Mr. Anderson.

I think there has been too much talk already and I would not want to add to that. I think the time to get on with the actual completion of the project is long overdue; however, I do want to take this opportunity to express my appreciation to you. Although I am not a member of the committee, I am obviously delighted to sit in on this analysis of where we stand today.

I want to say, however, that the Subcommittee on Surface Transportation has been a great force in the development of this project and I think we are personally indebted to you as the chairman of the subcommittee for the progress that has been made. I look forward, as you do, to an update and hope that it will provide the basis for a more optimistic outlook on the development of the freeway.

I think my views will certainly coincide with those of the mayor of Downey, Mayor Cormack, who is one of the first witnesses, and I am anticipating that there will be no difference in our views. I am quite sure of that.

I again want to express our appreciation for your selection of Downey for this meeting. I was with you in Lynwood, last year at the previous meeting, and I hope that it will be said that here in Downey we began to look optimistically on the outlook. If that is so, then I think your subcommittee is certainly to be congratulated.

Thank you.

Mr. **Anderson**. Thank you, Gus. I have known Gus so long. When I first went to Sacramento I was very fortunate in that I became the seat mate of Gus, who was already there serving prior to my arrival. And now we have been together so long that I can hardly call him Representative Augustus F. Hawkins. I usually say "Gus." So, thanks, Gus, for being here with us. Gus was the one who suggested we meet in Downey. Downey may be in my new district. It is on the east end of the corridor. And it is pretty much at Gus' suggestion that we are meeting here.

Mr. **Hawkins**. Some of it may eventually be in your district.

Mr. **Anderson**. Well, there is that. If you read the paper, you will find there are several different redistricting plans and one of them does give me two-thirds of Downey. But you will have the other third. I am not sure which of those thirds we are in right now.

Mr. **Hawkins**. They both are good.

Mr. **Anderson**. Yes.

Our first witness this morning will be the mayor of the city of Downey to welcome us and he will be followed by representatives of different cities for short presentations and suggestions.

Mayor Cormack, we want to thank you for having us here in Downey.

TESTIMONY OF HON. ROBERT CORMACK, MAYOR, CITY OF DOWNEY, CALIF.

Mr. **Cormack**. Thank you. Congressmen Anderson and Hawkins and welcome guests, mayors, and councilmen from around town here, we are real happy to have you here with us this morning. We feel honored that you selected Downey to be the center of the universe, so to speak. We are really delighted to have you here with us and anxious to hear how fast we are going to be able to move things along.

I am not here to complain. I am only here to applaud, but it is real great to have you honor us with your presence here, both of our Congressmen, at the same time.

Thank you.

Mr. **Anderson**. Thank you very much.

The mayor pro tem of the city of Bellflower, Hon. John Ansdale.

TESTIMONY OF HON. JOHN ANSDALE, MAYOR PRO TEM, CITY OF BELLFLOWER, CALIF.

Mr. ANSDALE. I am taking this opportunity to personally thank Mr. Anderson and Mr. Hawkins, members of the Downey City Council, and audience for the opportunity to address the Subcommittee for Surface Transportation.

Even though the I-105 Freeway is not within the corporate boundaries of the "Friendly City of Bellflower." I believe its construction will be advantageous to the city of Bellflower. The I-105 freeway has been planned for a great many years and has suffered a number of environmental setbacks. A problem existed with the Artesia Freeway, I-91, which created a bottleneck at the end of the freeway.

My only concern with the I-105 Freeway is its interconnection with the 605 Freeway. Is there going to be a bottleneck where the two freeways intersect; or, will proper interchange facilities be constructed to alleviate future problems? Also, are there any future studies scheduled for the Santa Ana Freeway interconnection with the I-105 Freeway? Furthermore, I sincerely hope the I-105 Freeway will be completed on schedule as it will be economically advantageous to the city of Bellflower and those residents traveling to the Los Angeles International Airport.

I am only sorry that it has taken so long to begin. Present day construction costs are astronomical, and delays and cost overruns may be deterimental to the proposed project. When excavation begins, I hope the discovery of some endangered species will not delay construction for another decade.

In closing, I hope construction begins on schedule and is completed as projected. Again, construction of the I-105 Freeway will have a positive impact on the city of Bellflower and the surrounding communities. Thank you.

Mr. ANDERSON. Thank you, Mr. Mayor. You raised a point about the Artesia Freeway. People were asking for years when that would be hooked up with the harbor freeway. We worked toward that and we finally got the money. We had our pictures taken out there at the groundbreaking. You know what I am getting now? I am getting criticized because we are not getting it finished fast enough. So, no matter what you do, there is something that happens along the line. No one says, hey, what a great job, you got that money. Now they are saying why are you taking so long getting that 91/I-110 interchange completed.

I guess it is the same all over.

Our next witness is the representative from the City of Compton. Is Maxie Filer here yet? I was told Maxie was going to be here.

If not, we will hold that off until he gets here. The next would be Hon. Ted Jackman, mayor pro tem of the city of Downey; and Hon. James Quinn, councilman of the city of Downey. Are you both coming together?

TESTIMONY OF HON. TED JACKMAN, MAYOR PRO TEMPORE, CITY OF DOWNEY, CALIF.

Mr. **Jackman**. Honorable Congressmen, I appreciate the invitation to be here today. The city of Downey has suffered long because of the lack of the 105 freeway. Our original contract with Caltrans called for the freeway construction to begin in the city of Downey, but we haven't had any construction begin yet.

But, at least, after 10 long years we are getting some vacant house out of the city of Downey. Now, we are to have a depressed freeway through Downey and we have been pretty depressed for the last 10 years.

So, I just want to say this morning that I think that we are on the way. I am really confident now that we are going to have a freeway. I just hope that we can complete it on the schedule by 1993 or whenever it is supposed to be ready. I can recall, though, a time that it was supposed to have had traffic on it in 1975 and that is long past. It is an arterial that is sorely needed in this area and I think that all of us will be greatly benefited by having it and I think it is going to be a great thing.

I am just sorry that the costs have escalated so much, but the homes, most of them, are out of the city of Downey and we still have some there. They are still scheduled to be moved and, hopefully, when they are out of there, at least some of the worst blight will be gone from the city, which has been something that has really disturbed us for a long period of time.

Now, I think, though, with the efforts of Congressman Anderson, with the efforts of Assemblyman Young, and with the efforts of a great many people in the corridor cities, we are finally coming to the fruition of the completion or at least the construction of this freeway. I think it is a great blessing and I just hope that there is nothing going to stop it or even stall it a little bit.

If anything comes up, we certainly want to catch it before it starts. I thank you very much.

Mr. **Anderson**. Thank you very much.

I think it might be wise if you would sit and face us with your presentation and speak loud enough so they can hear from behind.

TESTIMONY OF HON. JAMES QUINN, COUNCILMAN, CITY OF DOWNEY, CALIF.

Mr. **Quinn**. I remember doing this from the last meeting.

Congressman Anderson, Congressman Hawkins, it is a pleasure for me to be here today because I was also at the meeting in October. Since October, they have moved 241 homes out of the city of Downey.

I believe I stated before, my house was the first house to be moved in Downey for the freeway and that was in 1971. So, you can see the first house was 1971 and then last year now, they have moved out 241. So, we have had about 800 homes in the city of Downey that had to be removed. We have 14 apartment buildings and upward of around 50-some-odd homes yet to go.

I wanted to commend Caltrans. I think that since the last meeting I attended, I think that Caltrans has done a tremendous job in moving these homes out, especially this last year. It is looking now like we are going for the freeway and looking at the schedule here, it looks like Downey is going to have a contract in December to start something.

But one thing that interested me at the last meeting was the sound barrier wall. Now, the sound barrier wall, I think, is a very good idea that they want to build that as soon as everything is cleared, to make a sound barrier wall and that will keep the dust down, that will kind of group it. I would like to have Caltrans kind of expound on that just a little bit, because that is very, very interesting.

That is all I have to say. I agree with Ted Jackman's statement also. Thank you very much.

Mr. ANDERSON. Thank you, Jim, very much for your presentation.

Our next witness is the Honorable Marvin Johnson, Councilman from the City of El Segundo.

TESTIMONY OF HON. MARVIN JOHNSON, COUNCILMAN, CITY OF EL SEGUNDO, CALIF.

Mr. JOHNSON. Thank you, Congressmen Anderson and Hawkins.

As cochairman of the Corridor Cities, I would like to take this opportunity to thank you for allowing us to come here today and expound on the problems we have within the freeway. Each and every city has a different problem that they face. It is the nature of the beast.

I would like to review the purpose and the environmental impact of the Century I-105 Freeway. The purpose was, one, to improve the efficiency and service of the interstate system of freeways by providing an interurban connection between existing interstate routes; improve the regional freeway system by providing a needed link to redistribute the balances of the freeway traffic volume, thereby relieving congestion on adjacent freeway routes; three, provide needed additional access to the Los Angeles International Airport; provide a relatively efficient and safe high speed facility for the movement and goods through the fully developed urban area; provide an additional traffic arterial which will reduce traffic and congestion on local streets; provide improved access to regional, commercial, and business facilities; provide improved accessibility to the areas of employment opportunities; provide a right-of-way for the public transit facilities; remove the impacts associated with the partially acquired and cleared right-of-way and the vacant buildings in the right-of-way; provide a basis for improved long-range regional and community land use planning and development; and permit procedure of past and present regional and community planning and development, which has been predicated as a service of this facility.

These items were part of a presentation I made to the Federal Highway Commission. Each of the 10 purposes and necessities are self-explanatory, but the progress by which they are bearing fruit is not at the anticipated rate we were expecting.

A great concern of the cities at the west end of the freeway is that the major portion of the unsecured right-of-way lies in this section. Development of the freeway area is moving ahead in many sections at an accelerated pace, which is creating many problems. The Bay City area is the fastest-growing area in the county.

The problems of the El Segundo and the airport area are compounded daily. Reiterations of the problems we face help to implant the facts in our minds. Hopefully, the recognition of the necessity for relief of the problems will be a concern and planning for the relief will be expedited.

At the present time 150,000 working people are coming into the area daily. Compounding on this is the 33 million airport passengers, plus the people serving the airport's needs.

Mail and airfreight are big factors. The airport shipped out 1,900,000,000 pounds of freight of mail during the year of 1981. In 1980, SCAG predicted that by the year 2000 the growth job increase in the Bay Area would be 68,000 workers. The latest study by the El Segundo Employees Association projects the area's growth of 130,000 by the year 1990.

You can add to that the development just north of the airport, the Zuma Corp., which will have a working population of 20,000 and a residential combination with it, a population of 17,000.

In El Segundo we have attacked the traffic problems by rezoning and reducing the density by 50 percent. This is a very difficult thing for me to have taken part in. Having gone through depressed periods in this Nation, in this State, around, take part in the reducing of job opportunities, but it became a necessity in our area because of the impossibility of movement of people.

It is difficult when we have unemployment figures rising in our State compared to other States within our Los Angeles County, within our whole Los Angeles area. So, that was very difficult for me to take part in.

The employees association has sponsored staggered hours and the multiple car use. The industrial area has 37 percent of their people in multiple ride programs. Their efforts won for them last month a national highway award. El Segundo has a potential growth yet. On the drawing boards we have approximately 15,000 additional workers, with an additional 50,000 potential workers, which at the pace we are going will be completed out within about 10 years.

To make you aware of the tremendous job growth in this area, let me give you these figures. The latest job transport factor in Los Angeles County has the downtown area of Los Angeles at 7 percent and the Bay Area of 8½ percent. The necessity for the earliest possible acceleration of the freeway of this section is obvious.

How many freeways serve downtown Los Angeles? Almost every one. How many serve the west end? Zero, with the potential of one, we hope, at an earlier date.

I want to say that over the years many different things have taken place because of the length of time this freeway has been under way. Different conditions have changed and conditions of the cities have changed. Growth areas have changed and I think that the program that Caltrans is on now, where they are building the freeway jointly, instead of starting in progress from one end and going to the other is a good program.

I also want to say on behalf of the Corridor Cities that we have had great local cooperation with Caltrans and I think with the readjustment that we have at the present time, I am sure we are going to see an acceleration of the freeway program.

I thank you very much for the privilege of coming here today.

Mr. ANDERSON. Thank you very much, Mr. Johnson, for your presentation.

Mr. JOHNSON. Do you have any questions that I could answer?

Mr. ANDERSON. I don't think so.

Mr. JOHNSON. Thank you.

Mr. ANDERSON. We are going to hold our questions, but if any of you have any suggestions or any ideas that you want to bat about we will do that.

I was just listening to Marvin's comment about the El Segundo Employers Association. I spoke to them not too long back. That is an organization that claims to have as members 30, or 40 of the leading industrial organizations in the country, including the executives of those same leading organizations such as North American Rockwell, McDonald Douglas and Standard Oil and their main purpose is to develop transportation access very much along the line of what we are talking about here today.

They said they are currently building the El Segundo Towers and there is going to be a tremendous need for housing and for people to work in these places. Obviously, they can't go west because that is the ocean. The coastal area has pretty well absorbed every bit of vacant land there is up and down, north and south, and so, these people who will be working in these towers will be having to come eastward and you can't get east except by block by block stopping until we get this Freeway finished. They said this is their No. 1 project. They are behind it all the way and they even wanted us to consider fixed rail transit in the median. We have a tremendous problem here in Los Angeles. I think we are all aware of it. I am preaching to the choir, but we know that by the year 2000 we are going to have a city the size of Houston dumped on top of us. Two million people are going to be added to this general area.

That means where we are now. It means the South Bay. It means the valley. It means the Orange County and west San Bernardino and Riverside area, but if you can think of 2 million people on top of what we already have, if we don't do something about the Century Freeway and transit all over this area, we are going to be in tough shape in the year 2000 and 2000 is getting here pretty fast. This is already 1983. It is only 17 years away. I can remember when I thought 2000 was way, way, way down the road. Now it is almost with us.

Our next witness is from the city of Hawthorne. I used to know where that was. Kenny Jue. Kenny is the city manager of the city of Hawthorne.

TESTIMONY OF R. KENNETH JUE, CITY MANAGER, CITY OF HAWTHORNE, CALIF.

Mr. JUE. Honorable Gus Hawkins, Honorable Glenn Anderson, ladies and gentlemen.

The city of Hawthorne finds that the freeway is not only important, it is critically important to the city of Hawthorne. I think you have already heard Marv Johnson state that there is a vast job opportunity market to the west of Hawthorne and there is a vast labor pool to the east of Hawthorne. And the only way to get there is through Hawthorne.

Presently, we have three major arterials in the city of Hawthorne. They are Imperial Highway, El Segundo Boulevard, and Rosekranz Avenue. Through the peak hours, all three of these major arterials operate as six-lane highways and presently all three of the arterials are operating at overcapacity and the projections are that it will only get worse.

Therefore, we feel that the freeway is critically important to the city of Hawthorne and, furthermore, we feel that the freeway should be upgraded from a six-lane freeway to an eight-lane freeway. We feel that six lanes will just result in a freeway that is going to be obsolete on the day that it opens and we feel that since they are still acquiring some rights-of-way on the west end, that consideration be given to making the freeway an eight-lane freeway, at least on the western portions.

You have heard mention the El Segundo Employers Association. Traffic is so bad toward the west end right now that the association has hired 11 off duty policemen to direct traffic at the major intersections along the west end to expedite the traffic flow. So, traffic is certainly going to get worse before it gets better and we just hope that the freeway will make a dent in the traffic densities coming through Hawthorne.

We see the freeway as providing a great economic promise for the city of Hawthorne. There is one freeway through Hawthorne right now, that being the San Diego Freeway; however, that really just comes through the fringe area of Hawthorne. But the Century Freeway will be through the center of Hawthorne and we feel that the freeway will certainly revitalize portions of Hawthorne and we are planning much redevelopment activity along the freeway right now.

We feel that the freeway progress is making very rapid progress and we wish to, at this time, praise the cooperation and professionalism that we have received from the Caltrans staff. Thank you.

Mr. ANDERSON. Thank you very much, Kenny.

Our next witness is Mr. William Mahur, the Engineering Director of the City of Inglewood.

TESTIMONY OF WILLIAM MAHUR, ENGINEERING DIRECTOR, CITY OF INGLEWOOD, CALIF.

Mr. MAHUR. Thank you, Congressman. It is nice to be here. It is lots more upbeat, I think, as you suggested earlier, than previous meetings that we have had.

The city of Inglewood is very pleased that progress is being made on the freeway. We are very happy about it. We look forward to it to assist in our revitalization programs and redevelopment programs; also as potential jobs for the people who live in our community.

As I indicated when we talked last October, from time to time we do have some problems with the 200 homes that are located in Inglewood that are owned by Caltrans. Property maintenance over these last 10 years have been difficult problems for them and also for us.

As Kenny Jue indicated, we have been very happy lately with the progress of the freeway and the support we have received from Caltrans.

Thank you very much.

Mr. **Anderson**. Thank you very much, Bill, for a fine presentation.

Our next witness may be here. I understand he is having a little car trouble. Is Jim Williams here; the director of intergovernmental relations for the city of Los Angeles? He is due here. We will call on him a little later.

Our next witness is then the Honorable John Bjork, who needs no introduction, representing the city of Lynwood. Somebody referred to him as being the father of all of this. He is not that old. I can remember I was mayor of Hawthorne before John was born.

Mr. **Bjork**. Tell me more about that, Glenn. That is interesting.

Mr. **Anderson**. You are looking great.

TESTIMONY OF HON. JOHN BJORK, COUNCILMAN, CITY OF LYNWOOD, CALIF.

Mr. **Bjork**. Thank you, Mr. Chairman and Congressman Hawkins. My name is John Bjork and I am a councilman in the city of Lynwood. In fact, I just took out my nomination papers this morning again after 18 years and I am also the organizer and the chairman of the I-105 Corridor Cities Caucus.

The future progress of our city revolves around the completion of the I-105. The 7 miserable years of delay caused us many problems from our little all-America city. However, the advent of the freeway has breathed new life into our community.

Commercial developments are once more looking at our redevelopment areas and local businessmen are actually planning expansion. Citizens are now staying instead of fleeing and some are coming back and an air of open enthusiasm seems to be prevailing in our city at the moment.

My next question that I was asked was on the progress reports on the preparation and construction. Possibly because of my impatience I am probably the worst person in the world to ask this question of. However, now we see some real activity in the corridor. We see some huge trucks and shovels and they are leveling things off and moving stuff around and for a change we are seeing construction workers and engineers replacing the politicians and the bureaucrats and the lawyers that were wandering around there a few years ago.

But where the hell is the steel and the cement? I have been careful not to rock the boat, but it is imperative that we have an on and off ramp at Alameda. We have but one on/off access in our city, which is right on Long Beach Blvd. and with all the heavy truck traffic converging on the center of our city, I am afraid our local streets would be just punished too heavily.

There is another question I would like to ask. Caltrans is blaming the Federal Government for it, and that is the change in the security that we have been having heretofore. We were informed that Caltrans—that the Federal Government refused to pick up the tab any more on the security that we had been enjoying. We did a little screaming about it and then we found out that maybe the Federal Government would change their minds and renew the contracts that we had, but in the meantime from June 30 until possibly November 1 or 2, we would receive nothing for security.

This, to me, is just a little bit confusing because come November, at the rate the freeway is being cleared, hopefully maybe we wouldn't need the security at that time, but we do need it now. This is something that I think needs to be cleared up.

I want to thank Congressman Glenn Anderson not only for his effort on the I-105, but for California transportation in general and for his patience with me, listening to my many sad tales all these years.

Thank you, gentlemen.

Mr. **Anderson**. Thank you very much, John, and I am sure those questions will be answered by one of our witnesses very shortly.

Our next witness is the Honorable Bob White, Councilman, City of Norwalk. We are very happy to have you here, Bob.

TESTIMONY OF HON. BOB WHITE, COUNCILMAN, CITY OF NORWALK, CALIF.

Mr. **White**. Thank you, gentlemen. It is always a pleasure to see Washington not in their area. We get a chance to get back there occasionally, but we like to see you visiting out here, too.

I am very fortunate in transportation in 1970, when I was mayor the first time in Norwalk—I have been mayor four times now in my 16 years in Norwalk, and we were one of the first cities to sign the freeway agreement. It was a real jolt to all of us when that thing was put on hold and we lost about 7 or 8 years, but, thank goodness, we are back in the saddle again and I think things are working fine now.

I also serve on the DTAC, Divisional Transportation Advisory Commission, in Sacramento. We go up there once a month and meet with the Caltrans people and the State transportation people and recommend different projects throughout the State. I find that very interesting and I am also an alternate on the County Transporation Commission in Los Angeles. The main one that I serve underneath is Chris Reed from Santa Monica and I serve as her alternate.

But in our own picture here—I have a few notes here I would like to relate—the anticipated construction of the Century Freeway, which begins in Norwalk and concludes at Los Angeles International Airport, will bring to our community a major park and ride facility, as well as a transportation center for the mandated public transportation system that is being designed for the median island of the I-105.

Norwalk strongly supports the concept of establishing at the outset a light-rail-system in the median island in order to provide a more expeditious and responsive system for commuters and travelers alike in the freeway corridor for the 21st century.

We are urging that the light-rail system be constructed initially rather than as plan B, after several years of commuter busing. We are delighted to observe a number of actual developments so far that have been taking place in the immediate future pertaining to freeway construction as it applies to Norwalk.

For example, we have been pleased with the fact that over 75 percent of our existing houses in the freeway corridor in Norwalk, out of the 100 that were retained by the earlier Federal decree, have now been removed by Caltrans and we anticipate that this potential danger of vacant houses along the freeway corridor will be completely alleviated before the conclusion of this fiscal year.

We have been pleased also by the adoption of the final route map as it applies to Norwalk, including the identification of on ramps and off ramps and the excess properties where our city is now instituting planning and development programs for the highest and best use of the excess State-owned land.

We are pleased to note that the contracts that are being let out for certain construction projects along the freeway corridor and we welcome the long-awaited field office that recently moved to the corner of Hoxy Avenue and Imperial Highway. By the way, that is being constructed now and I think in the very near future they are going to set up housekeeping over there and all the people around our area are welcome to come over there and ask questions and follow the progress of the freeway.

Our city council this week will be considering a new agreement with the State of California for security and for the continued security patrol by our local law enforcement agency along those portions of the freeway corridors within our cities through June 30, 1984. It appears that our freeway is now full speed ahead and as we all gather here 10 years from today and look back upon the history of one of the most difficult and earth-shattering public transportation projects anywhere in the United States, we will look back with great sense of accomplishments by so many people in our local government, in our communities along the 17-mile corridor.

Thank you very much.

Mr. **Anderson**. Thank you very much, Bob.

Our next witness is from the city of Paramount, the Honorable Case Boogard, mayor pro tem.

TESTIMONY OF HON. CASE BOOGARD, MAYOR PRO TEMPORE, CITY OF PARAMOUNT, CALIF.

Mr. **Boogard**. It is a real pleasure to be here, Congressman Anderson, Congressman Hawkins. I want to be one of the first ones to congratulate you and thank you on completing the 91. I think keeping this a positive meeting is the way I would like to see it. We are real excited about the fact that you are pushing this and maybe our Governor Deukmejian is also behind this. We have seen Caltrans work very positively in Paramount.

We have eliminated all but four houses. According to my understanding, they will be taken care of in September. So, we are very pleased about this.

Just driving down here, down Paramount Boulevard, just the maintenance of the corridor has been just outstanding and we would like to thank you for that.

As I mentioned earlier to yourself, we have a mobile city hall in Paramount that goes out once a month and we took the opportunity to reach the citizens in the corridor area, the ones that would be affected by the freeway and we really got a lot of input as to possible closure of some streets and things. All the suggestions that we got from our citizens, we passed on to Caltrans. My understanding is that every one of them were implemented. So, again, we want to thank you for that.

Most of the reasons for having the freeway have already been stated. I feel that Paramount, we have property values that are down and I think they will be brought back up to par once the freeway is there and I think our industrial and commercial properties will exceed values that they are in the other parts of our city. So, we are looking forward to the completion and I thank you for the type of local meetings and the opportunity to meet yourself and other people from the surrounding cities.

Thank you very much.

Mr. ANDERSON. Thank you, Case.

Our next witness is Hon. William H. DeWitt, councilman, City of Southgate.

TESTIMONY OF HON. WILLIAM H. DeWITT, COUNCILMAN, CITY OF SOUTHGATE

Mr. DEWITT. Congressman Anderson, Congressman Hawkins, it is a pleasure to be here. On behalf of the city of Southgate I would very much like to thank you gentlemen for the efforts that you have put forth to bring the freeway into a reality.

I think we all realize the fact that it is really almost totally Federal money—I think some 92 percent—that is building this freeway, so without your support and without the support of the rest of congressional Representatives in Congress, there is no hope at all for projects such as this. So, it is your efforts that I am applauding today.

Caltrans has done a fine job in our community. Of course, as you know, the city of Southgate is probably touched the least by this freeway because we only have a small corner of our community that is in it, but we look very favorably upon early completion of it. We see the harm that the freeway has caused to our neighbors to the south in Lynwood and it is the hope that the industrial revitalization and commercial revitalization will greatly enhance that community and thusly some of that will spill over into our community also.

Just for the record, I have two minor things which I want to place into the record. In no way am I trying to throw any stones at this point or anything like that, but there has been just a minor problem in regarding the policing contracts, which was alluded to earlier by the gentleman from Downey.

We are concerned that the policing be adequately maintained and, hopefully, we will have our contracts renewed with Caltrans very early. That is being worked on at this point.

Once the structures are done, are taken out, the major part of our policing cost will drop considerably, because once there is just vacant land and you actually get into construction, then we have a minimal expense involved. We are not talking about a lot of money here, so I possibly shouldn't even be mentioning it.

The second item of concern that the city of Southgate has is we have a major drainage problem in our Hollydale area and the freeway is going to have a major drainage problem in that area because it is going to be recessed as it goes through the eastern part of our community and into the Paramount/Downey area and there is going to be a major problem getting rid of the rainwater that comes during the rainy season.

Our concern is that we have the ability to work with Caltrans and Caltrans will reciprocate by working with us on this drainage problem, because the freeway won't do anybody any good if it gets rained out. I think we all know down in that area, it is a slump area as far as drainage is concerned and these problems have to be addressed.

Now, Caltrans is working with the County Flood Control District and, hopefully, shortly we will have a report on that, but from the city of Southgate's point of view, it doesn't make much sense for us to put in a major storm drain and Caltrans to put in a major storm drain right next to ours. We would like to work with them and piggyback the project so that there is the least total expenditure of public funds.

With that, I will conclude my remarks, but, again, I applaud you gentlemen and our other Representatives in Congress for supporting this because without your efforts and without your pushing, we would not—this would not be coming to a reality.

Again, I thank you.

Mr. ANDERSON. Thank you very much, Bill, for your presentation.

Now, earlier we had called upon two cities, Maxie Filer from Compton and Jim Williams, the director of Intergovernmental Relations, city of Los Angeles. Are either of them here? Jim, I see you have made it.

TESTIMONY OF JIM WILLIAMS, DIRECTOR, INTERGOVERNMENTAL RELATIONS, CITY OF LOS ANGELES

Mr. WILLIAMS. Good morning, Congressman Anderson and Congressman Hawkins. It almost looks like old home week to see both of you again.

On behalf of the city of Los Angeles, I think, even though I missed some of the earlier testimony, I would——

Mr. ANDERSON. We were told you had car trouble. Is that right?

Mr. WILLIAMS. Yeah, the thermostat fell out, but in any case, I would join the other cities in, again, applauding the work of the congressional delegation in bringing this project to fruition, notwithstanding the difficulties which were encountered earlier on.

There are some very minor kinds of concerns and I really hesitate to use the word "concerns." They are areas in which the city of Los Angeles feels that there may be some adjustment which could be made and, secondly, some suggestions in terms of your future work, having looked at some of the legislation that both of your have offered and has not been finalized by the Congress, as yet.

The first is that we do have some concern with respect to the phasing of the contracts for the various segments. While we are not adamant in our position, we think that some prudence might be demonstrated by taking a look at the impact in terms of, for instance, the upcoming Olympics and, of course, the transportation crunch, which we all anticipate will be here.

We think that working with Caltrans we ought to be able to kind of juggle our phasing a little bit so that we get those areas in.

The second area that we generally are satisfied is being considered, but we want to emphasize the need, and that is the integrated planning of the rail system, which the L.A. CPC has put together, together with RTD, with the completion of the freeway. We think that the ultimate utilization for mobility will require that.

Finally, the other concern that I have and I know Congressman Hawkins has been in the forefront in terms of some of the job legislation—we are looking at that as the kinds of potential that can augment what is really being done with the transportation money, which is currently being used. We think it is a mistake to consider the completion of I-105 in a vacuum as simply a highway project.

The city of Los Angeles tends to look at it as a revitalization—one of the tools for revitalization in this area of the city, a very essential one, and should be considered with some of the current programs that are being proposed.

For instance, we have looked at many of the jobs, too, bills that are currently before the Congress. We would strongly urge that those kinds of legislation ought to be considered in conjunction with this project. We are basically looking at a 10-year project. We are looking at a project which can provide a tremendous amount of employment and a boost to the economy in this area.

Finally, I would mention that it seems that the Congress has not shown too much enthusiasm for the Enterprise Zone legislation. The city of Los Angeles supports that and, again, it is an element, which we feel would augment what is being done, what you have done so ably in bringing the I-105 to fruition.

With that, I would conclude my remarks and indicate to you that on behalf of the entire council and the mayor of the city of Los Angeles, we are very grateful for the work that you have done. Thank you very much.

Mr. ANDERSON. Thank you, Jim, for your presentation. I might just add that on two of those subjects you mentioned, the jobs legislation, we call Mr. Hawkins here Mr. Jobs in Washington. He is our leader in that field and, of course, he is also very active and I follow his lead on the Enterprise Zone legislation as well.

That completes the testimony of all our representatives from the cities. I hope all you people know, speaking for myself though I know Gus feels the same way, that we are not unaware of what some of your cities have been doing. As we went through the list, I asked myself whether there were any of those cities I haven't represented. Part of Southgate used to be in my congressional district, as was Paramount. I haven't had Norwalk and it doesn't look like I am ever going to get Norwalk.

I had Lynwood. I have the most important part of the city of Los Angeles right now; I have San Pedro and Wilmington in my district. I had the city of Inglewood when I was in the legislature. I represented the city of Hawthorne, when I was in the legislature and was also the mayor of Hawthorne; El Segundo when I was in the legislature and Compton. The first time I ran for Congress, Compton was the city that elected me. It was their vote that put me in. I have not had Downey or Bellflower yet, but according to one of the reapportionment plans, I may get part of Bellflower and part of Downey. So, at one time or another, I will have represented every city on the list here with the exception of the city of Norwalk.

So, I do know something about what you cities have been doing, what your plans are and I know that Gus is the same way—his districts have changed. He was in the legislature before he went to Congress, so I know he knows about the Corridor Cities problem and what it means to you. Of course, I am very aware of what Jim was mentioning there and the importance of this job-wise, and not just for the building of the freeway itself, but jobs that will be created after the freeway is finished, with all of the developments that I know many of the cities will build along the way. The Century Freeway is going to attract new business and new industry and all kinds of activities. I see a tremendous economic boost to this whole South Bay area, not just those cities on the corridor, but the whole South Bay area once we get this freeway finished and built.

At this time we will call our first witness from outside of our cities. That will be Bruce Cannon, the District Administrator of the Federal Highway Administration. After you make your statement, Bruce, we will also have some questions for you.

Mr. Cannon, the full text of your prepared statement will appear in the record at this point.

[Statement referred to follows:]

STATEMENT BY BRUCE CANNON, CALIFORNIA DIVISION ADMINISTRATOR, FEDERAL HIGHWAY ADMINISTRATION, U.S. DEPARTMENT OF TRANSPORTATION

I am pleased to once again appear before this committee to discuss progress of Century Freeway (Interstate Route 105). With me today is M. Rudy Subia, Project Manager for the Century Freeway. He and his staff are located within the Corridor in the City of Inglewood.

Before discussing the history and progress of the Century Freeway I would like to offer my praise to you, Chairman Anderson and the other members of the Congress, for passage of the 1982 Surface Transportation Assistance Act. This action was perhaps the greatest impetus to increased progress on the project. The provisions for funding contained in the Act demonstrated to all for the first time that funds would be available to insure completion of this transportation facility.

The history of this project dates back over 30 years to the time when it was proposed as a freeway link in the Los Angeles transportation system. It was added to the National Interstate System in 1968. Facility design and right-of-way action proceeded until July 1972 when the project was enjoined pending preparation of an environmental impact statement. The final EIS was approved in October 1978. A court consent decree was entered into in late 1979 and amended in September 1981. The project is being implemented in accordance with this amended decree.

Since my testimony before this committee last October we have proceeded forward on a number of fronts. Within the replenishment housing program construction is underway on 156 units costing $13.5 million with an additional 86 units at $7.4 million ready to start shortly. Under the rehabilitation portion of the replenishment program 36 units are complete, 16 are in the letting and award process, and five are to be advertised shortly. The cost to the program for these 57 units is slightly over $3 million.

Added to these physical accomplishments are the efforts underway by the Department of Housing and Community Development and Caltrans to rehabilitate two apartment complexes containing 43 units on Normandie Avenue in Los Angeles

County, and 120th Street in Hawthorne. Also underway are efforts by HCD to develop a Request for Proposals for construction of some 800 rental units

We have authorized acquisition of 90 percent of the right-of-way amounting to some $417 million. Of this amount, $197 million has been authorized since October. Design of the project has proceeded to the point that approval of the basic design features has been given for the entire project. We are reviewing final design and special design details with Caltrans' designers.

As quickly as possible we are advancing construction. As of today, we have authorized 5 projects totalling $8 million. In addition, between now and October 1, 1983, we expect to authorize 9 Century Freeway related construction projects involving $33.6 million in Federal funds. Most of these projects are for structures needed to facilitate construction of the longer segments. Based upon the current construction schedule, completion of the Century freeway within the Interstate period seems assured.

With respect to the overall Century Corridor, the last of the usable, vacant, and boarded-up structures has been removed and security problems have been lessened accordingly. Approximately 1,000 units have been removed since last October.

The participation of minority and female-owned businesses in the project let to date has been high as has participation by the Corridor businesses. A Century Freeway Technical Assistance Project costing $300,000 was initiated last October, and has proved very effective in assisting minorities and women receive their fair share of the available work. We are attempting to work with Caltrans, HCD and the Department of Economic and Business Development to initiate a minority bonding and financial assistance program which we believe would also enhance the MBE program markedly. In addition, FHWA has worked closely with state and local unions to establish a preapprentice training program. We are pleased with the accomplishments of the program which is providing Corridor residents an opportunity to receive firsthand knowledge of the skills needed in the construction trades. During the nearly two years the program has been in operation, these preapprentice trainees have completed 6 replenishment housing units and 10 more are underway.

In conclusion, I would like to state that the Federal Highway Administration is thoroughly committed to this project and its completion in accordance with the provisions of the amended consent decree. I would be remiss, however, not to point out that there are limitations both legislatively and monetarily on the Federal-aid Highway funds available for development of this transportation corridor. There have been and will continue to be proposals made for joint use of ancillary developments in which we (FHWA) cannot accept a full role. These then must have the programmatic and financial support of agencies other than the Federal Highway Administration if they are to be implemented. I must, though, point out that I have seen, over the past several months, an increased attitude of cooperation by all agencies and communities involved in and affected by this undertaking.

I am even more optimistic than I was last October that we will see a completed transportation facility in the early 1990's together with housing which will complement the corridor cities' development plans. We would be happy to answer any questions you may have.

TESTIMONY OF BRUCE CANNON, DISTRICT ADMINISTRATOR, FEDERAL HIGHWAY ADMINISTRATION, ACCOMPANIED BY RUDY SUBIA, PROJECT MANAGER FOR THE CENTURY FREEWAY

Mr. CANNON. Congressman Hawkins and Congressman Anderson, it is a pleasure for me to once again appear before your subcommittee to discuss progress on this Century Freeway project.

I have with me today Rudy Subia, who is the project manager for the Century Freeway project and he is stationed in Inglewood. So, we do have a representative right within the corridor. I might mention this is very unique in our agency. It is one of a kind to have a satellite office located away from the capital city of the State; this gives you an indication of the importance of this project to our agency.

Before getting into the progress on the project from the Federal standpoint, I would like to offer my praise to you, Congressman

Anderson and other Members of Congress, for the passage of the 1982 Surface Transportation Assistance Act. This action was probably the most and greatest significant matter as relates to this project. It provided assured funding to complete the project.

As far as progress on the project to date, there are several fronts that we are working on at the present time and I will discuss those individually. As far as design of the highway and transitway project, we have reached agreement with Caltrans on the basic design for the entire route; and we are working with them on detailed design aspects of individual construction projects.

Mr. ANDERSON. Just for the moment I might interrupt and say that we have another one of our colleagues, the Honorable Dave Dreier. I wasn't even sure we would see you today after that big front page picture.

Mr. DREIER. Oh, I have recovered.

Mr. ANDERSON. We are very happy to have you here. This is Bruce Cannon, the District Administrator of the Federal Highway Administration who is now testifying.

Sorry to interrupt.

Mr. CANNON. In the right-of-way area 90 percent of right-of-way acquisition has been authorized on this project by our agency, which amounts to over $400 million. Since last October, we have authorized $200 million of this $400 million for this acquisition phase.

Most of the vacant and boarded-up structures have been removed from the corridor, which markedly reduces the security problems. Approximately a thousand units have been removed since last October. So, I would encourage your riding the corridor because it reflects a linear park development at the present time. I have to commend Caltrans on their efforts of maintaining that corridor in really a park setting. Hopefully, we will have a highway facility built there in the very near future.

In the highway construction area, five projects at a cost of almost $10 million have been authorized to date. Before October 1, we anticipate an additional nine projects that will be authorized to cost approximately $35 million.

In the housing area, in the rehabilitation program, 36 units have been completed to date; 21 units are in early stages of construction. In the replenishment program approximately 250 homeownership units are under construction or in final award stage, which cost in excess of $20 million.

Additionally, a rental request for proposals for some 800 rental units is in the final stages of development between ourselves and HCD and Caltrans.

In the affirmative action area, participation on construction contracts by MBE's and WBE's has been very high. In fact, it has been over 30 percent as far as MBE's and over 5 percent as far as WBE's on individual projects. This is in excess or exceeds the statewide goals, which are 13 percent statewide for MBE's and 3 percent for WBE's.

In addition, in the affirmative action area we authorized last October a $300,000 supportive services contract, which has proved to be very effective in assisting minorities and women to participate in the construction contracts on this project.

In addition, I would be remiss in not mentioning the preapprenticeship program which has been a very successful program. We are very pleased with the progress that has occurred on this program in developing construction skills for some of the corridor residents. Fifty-five people have completed the training; 47 have been placed, 7 of which are females, and we have had an additional bonus as far as this particular program in that 6 replenishment housing units were rehabilitated and 10 more are presently underway. So, we are building houses as well as training the corridor residents in construction techniques.

In conclusion, the Federal Highway Administration is thoroughly committed to this project and its completion in accordance with the provisions of the amended consent decree. I would be remiss, however, not to point out that there is a limitation on the availability of Federal highway funds for the development of the transportation corridor. There have been and will continue to be proposals made for joint use or ancillary development in which we, FHWA, cannot accept a full role. These then must have the programmatic and financial support of agencies other than the Federal Highway Administration if these joint development projects are to be implemented.

I must, though, point out that I have seen over the past several months an increased attitude of cooperation by all agencies and communities involved in and affected by this undertaking.

I am even more optimistic than I was last October that we will see a completed transportation facility in the early 1990's, together with housing which will complement the Corridor Cities development plans.

That is the end of my comments. I and my colleague, Mr. Subia, would be more than happy to answer any questions you may have.

Mr. ANDERSON. Thank you very much, Bruce, for your presentation and we are also very happy to have Rudy here with us and congratulate you on having a local office where we can get at him easier than Sacramento.

Bruce, last month the FHWA issued new regulations implementing the disadvantaged business provision of the 1982 Highway Act. Does FHWA anticipate a need to change the Century Freeway consent decree in any way as a result of those regulations?

Mr. CANNON. The short answer to that question is "no." The consent decree includes economic and socially disadvantaged persons in its definition of minorities. Therefore, generally, the regulations recently issued apply. However, there is a minor problem in reporting statewide attainment, in certain Century Freeway minority categories. The Century Freeway definition includes Portuguese as being a part of Hispanics minority group; whereas, the new regulations do not. They rely on a Small Business Administration definition, which does not include Portuguese.

This difference has been discussed with Caltrans and what we will probably end up doing is keeping two sets of books to report statewide attainment goals and the Century Freeway project attainment goals.

Mr. ANDERSON. Does the FHWA consider the Caltrans organization responsible for the MBE program on the Century Freeway? Do they believe that it is now equipped to handle that responsibility?

Mr. CANNON. My answer on this question has to be an unqualified "yes." Caltrans has recently increased its Century Freeway civil rights staff and has organized the staff into three functional areas. The three areas are minority and women business certification, pre-award of construction contracts and contract compliance. This staff is gaining daily in experience and I feel very comfortably that they can easily cope with the new regulations, as well as the requirements that are presently contained in the amended consent decree.

Mr. ANDERSON. Do you anticipate any need to slow down or to reschedule any part of the project because of lack of available Federal funds?

Mr. CANNON. At the present time, as a result of that Surface Transportation Act that I alluded to earlier and that you played such an important part in, there are sufficient Federal interstate funds available to insure the completion of the project. I think both the Surface Transportation Act in 1982, as well as the interstate construction redefinition that the 1981 act, which got construction costs under control, have played a major role in insuring that there will be sufficient funds available to complete the initial Interstate System.

This, of course, assumes that we don't end up with runaway inflation that would require additional funds or that the half percent minimum States—those guaranteed a half a percent of the interstate funds, even though they have completed their interstate systems—don't begin to take that much off the top. At the present time, I think 20 States are receiving that half percent allocation and the number of States will naturally grow in the future.

Mr. ANDERSON. The Interstate Trust Fund is now subject to a time limitation that says that all funds to be provided must be obligated by the end of fiscal year 1990, including of course all necessary construction contracts. They must be awarded by September 30, 1990. Do you anticipate any significant problems meeting this deadline on Century Freeway?

Mr. CANNON. The status report that the State put together indicates a construction schedule that will have all projects advertised by mid-1990. So, as a result they should complete the overall project by 1993.

The continued cooperation of all parties on this project are very essential. Although I myself do not anticipate any impasses in meeting this construction schedule and that we will be able to obligate those funds by July 1990. Now, I would be remiss in not mentioning that we have problems that occur on a day-to-day basis and we deal with those problems as they arise. That is one of the charges that Mr. Subia has in working very closely with the HCD and Caltrans staff to insure that we don't have problems that develop into impasses.

Mr. ANDERSON. It is your understanding that the problem we discussed last year relating to the western 5 miles of the freeway have now been resolved and the Century Freeway will be built all the way into El Segundo?

Mr. CANNON. Yes, sir. I don't envision any problem whatsoever. In addition to the provision in the 1982 Surface Transporation Act, Caltrans has also revised their schedule and accelerated project development in that area where they previously had no construction proposed by 1986.

Mr. ANDERSON. Kenny Jue from the city of Hawthorne discussed the need for the Century to be eight lanes, not six. When the consent decree was renegotiated 2 years ago, Ray Barnhart, the Federal Highway Administrator, assured me that the freeway would be built so as to accommodate the addition of two more lanes. Is that being done?

Mr. CANNON. The cross sectional width has been provided for the facility and will accommodate a restriping so that you could easily have eight lanes.

Mr. ANDERSON. That is the one thing that I want to be kept up on because I have told Ray that I am going to hold him to that and he says, "I'm with you," I want to make sure when we do build an overpass or whatever, even though we are only building six lanes, that we do provide the room so that we don't have to go out there 10 years from now and tear down an overpass just because it isn't able to accommodate an expansion to eight lanes. I think that now is the time to prepare for that.

Mr. CANNON. The bridge design is such that we aren't foreclosing those options as far as widening the facility some time in the future. The abutments, if you will, are open so that provisions for additional lanes can be made easily.

Mr. ANDERSON. Would you summarize for us, perhaps, the situation surrounding the policing of the corridor? We have heard some comments on that this morning.

Mr. CANNON. Yes. The position that we have taken in our agency at the present time is that the demolition of the vacant and boarded-up units has reduced the need for extensive policing. What exists is a linear park, and the policing that is required is somewhat different than is required for boarded-up housing units.

So, we have indicated and worked with Caltrans and approved a contract to police the corridor to the tune of roughly a half a million dollars on an annual basis. So, the funds are available. The need has been reduced substantially from what it was 1 or 2 years ago.

Mr. ANDERSON. Well, I know Councilman John Bjork mentioned that and he referred to it as the change in security. I think he or one of the other witnesses said that when he talked to Caltrans they blamed the Feds on whatever that change has been and then I remember Bill DeWitt from Southgate, also mentioning the policing contracts and stressing that the policing must be adequately maintained. So, apparently this is still in the forefront of the minds of many of the officials of the corridor cities. I wonder, have you and Caltrans worked out any differences that you may have had on this?

Mr. CANNON. I think we have been addressing this problem on a daily basis, on an issue or problem basis as it has developed. Again, I would harken back to the fact that the number of boarded-up units has been substantially reduced and by September I think most of them will be removed.

Mr. ANDERSON. Gus.

Mr. HAWKINS. Mr. Cannon, your testimony is very helpful. May I ask you just one or two questions? On page 3, you make reference to some limitations, both legislative and monetary, on the Federal-aid highway funds. There is an implication that this may, in some way, slow down development. You also make reference to some agencies over which you have no direct control, and other agencies that may in some way limit the development or the completion of the system. Would you clarify these references in order to be a little more specific as to which legislative and monetary limitations you are talking about and to which agencies you are making reference?

Mr. CANNON. The Federal highway interest is within the corridor, within the right-of-way taking that is needed for the transportation facility. We fully recognize that there is a desirability for joint development that will occur outside of the corridor, because it is an opportunity to have commercial, industrial types of activities that are located outside of the freeway facility itself, but within the impacted area of the corridor.

We are limited as far as the Federal funds that we can use to stimulate that kind of development or to buy additional right-of-way to encourage the development. That is really a prerogative that we feel has to be assumed by the State and the local governments. We are willing to work on a cooperative basis with the cities and the counties, but we are limited by our ability as far as providing funds to bring about that development outside of the corridor itself.

Mr. HAWKINS. Is there any Federal agency that has any responsibility in this area?

Mr. CANNON. Can you help me on that, Rudy?

Mr. HAWKINS. Is anyone coordinating it so that it would not in any way interfere with the project?

Mr. SUBIA. I don't know of any Federal agency.

Mr. ANDERSON. At one time, if you will excuse the—I believe in Interior, there was an urban park program I think it is still in existence. I am not sure. I assume some of these cities will want to have a commercial development, but there may be some that will want to take advantage of some type of an urban park program and I believe there is, or was, Federal agency involvement in that. You might check on that because there are some sections where it might be nice to have a nice urban park developed.

Mr. HAWKINS. You don't see these problems in any way interfering with the successful development; that is, slowing down the construction?

Mr. CANNON. No, I don't envision that they will slow down the construction. I think it is really an enhancement—an opportunity, if you will, that the cities and the State have to develop that corridor in a fashion that utilizes that freeway to its best advantage. Those are development decisions that are really the responsibility of the cities and I think we in the Federal Government would be remiss to get into local zoning and land development decisions and responsibilities. We encourage it, but we financially can't support the expenditure of Federal highway funds outside of the right-of-way itself.

Mr. HAWKINS. Thank you, Mr. Chairman.

Mr. ANDERSON. Mr. Dreier?

Mr. DREIER. Thank you very much, Mr. Chairman.

Mr. Cannon, I have to apologize for coming in in the middle of your statement, but I would like to get briefly back to an issue which Chairman Anderson raised; that being the one of the Federal Government being able to meet its financial obligation for completion of the freeway. I just wanted to hear again from you, even though you have already touched on it, whether or not you could project down the road any problem with the Federal Government meeting that obligation.

Mr. CANNON. The major problem that I see is inflation. At the present time the surface transportation legislation sets up roughly $24 billion for initial development of the nationwide Interstate System. At the present time our estimates are in the neighborhood of around $22 or $23 million to complete that system. If inflation is substantial, then enough funds will not be available. But at the present time, there are sufficient funds available. There is sufficient latitude available to the State to utilize the funds that they have at the present time. When annual interstate funds are exhausted, they can use other means such as bonding to front-end the cost. When annual Federal funds become available, then the State could be reimbursed for their front-end funding.

Mr. DREIER. All right. Thank you very much. Thank you, Mr. Chairman.

Mr. ANDERSON. Thank you very much, Mr. Cannon and Mr. Subia, for your presentation.

Mr. CANNON. Thank you.

Mr. ANDERSON. I know that Congressman Dreier may be limited in how long he can be with us today and I would like to ask him at this time for any remarks he might care to make.

Mr. DREIER. Well, thank you very much, Mr. Chairman. I appreciate the opportunity to be here and participate in these very important hearings. Again, I have to apologize not only for being tardy but for leaving as soon as I do complete my statement because of previous commitments that I have made.

I have to say that I not only appreciate your invitation to be here, Mr. Chairman, but I appreciate Chairman Hawkins allowing me to come into his district. That is a very gracious opportunity that I have and I do appreciate it.

I am here, though, to express my very strong support for the Century Freeway and completion of the project. Now, the freeway will not run into my district at all, but I feel that the district which I represent and the entire southern portion of Los Angeles County will benefit from completion of the freeway and I think it is critically important.

Chairman Anderson and I are transcontinental traveling companions on regular occasions and I think the Century Freeway is critically important for our access to Los Angeles International Airport. I have to say that the freeway is an important addition to the Los Angeles metropolitan highway network and will help ease the growing pains which we certainly will be seeing in the decades ahead. The legislative guidance which Chairman Anderson has shown on this has to be recognized. I am pleased to offer an albeit brief bipartisan flavor to the hearing today and will hope very much that we will be able to see the Century Freeway's expeditious completion. I will anxiously look forward to the chance that I will have to travel on the freeway.

Thank you, again, Mr. Chairman.

Mr. ANDERSON. Thank you, Dave, for those nice, remarks. How close do you come to the Century Freeway? Your present district comes how close?

Mr. DREIER. I represent La Mirada. I can't give you the exact mileage, but it certainly will access many of the people whom I represent.

VOICE. About 5 miles.

Mr. ANDERSON. About 5 miles.

Mr. DREIER. About 5 miles. Thank you very much. Ten minutes.

Mr. HAWKINS. You can spend some money on your way out, Dave.

Mr. DREIER. OK.

Mr. ANDERSON. And while he is here.

Mr. DREIER. And while I am here. I am pleased to say that the freeway will begin 5 miles from the district that I do represent.

Thank you very much, sir.

Mr. ANDERSON. Thank you.

Our next witness is Heinz Heckeroth, the district director of Caltrans.

The full text of your prepared statement will appear in the record at this point.

[Statement referred to follows:]

CALTRANS PRESENTATION TO THE CONGRESSIONAL OVERSIGHT COMMITTEE—ROUTE 105

Mr. Chairman and members of the Committee. My name is Heinz Heckeroth, District Director of the Los Angeles Office of CALTRANS. I would like to give you a status report on the development of the Interstate Route 105 Freeway/Transitway Project.

First, let me direct your attention to the exhibit map while I orient you on the project. The project extends from Interstate 605 in the City of Norwalk on the east to Sepulveda Boulevard in the City of El Segundo on the west. The project is 17.5 miles long and travels through ten cities and the County of Los Angeles. It is being designed for six lanes (three in each direction) and a transit median which can be either a bus/HOV lane or rail transit. It includes ten local interchanges, four freeway-to-freeway interchanges and ten transit stations.

The total estimate of this project is now $1.56 billion.

Construction—$950 million.

Right of way—$320 million.

Housing—$290 million.

As background information, this project was initiated in 1958. In 1968, after many studies and public hearings, final design began. About that same time the route was added to the Interstate System. By 1970, design was well under way and agreements had been executed with almost all of the corridor cities. In 1972, a class action lawsuit was filed against the State and FHWA charging that an Environmental Impact Statement should be prepared. CALTRANS did prepare an Environmental Impact Statement and in 1979 an agreement was reached and defined in a Consent Decree approved by the court. The project was then defined as an eight lane freeway with a transitway, a housing program consisting of 4,200 units and numerous other requirements. In 1981, this Decree was amended to redefine the project as a six lane freeway with a transitway, a limited number of interchanges and a reduction of housing units to 3,700. This is the present design criteria we are developing.

The basic reason to downscope the freeway from eight to six lanes was a desire by FHWA to reduce the cost of the project. This was part of a National effort to reduce the cost of completing the Interstate System. In our design, however, we have attempted to accommodate future widening to eight lanes should that prove desirable. Abutments for all structures except those in freeway-to-freeway interchanges are set back as well as are all sign structures to allow additional lanes. We could also provide additional lanes in the freeway-to-freeway interchanges with some compromise on shoulder standards.

Although we are currently designing the project for bus/HOV lanes convertible to rail, the Los Angeles County Transportation Commission has a study underway which could impact this decision. The Commission is evaluating possible routes for rail development beyond the Wilshire Subway and the Long Beach/Los Angeles Rail Line. One of the corridors under study is the 105 Freeway. CALTRANS has taken the position that the initial transit mode on this freeway could be either bus or rail, depending on local consensus. However, the decision must be made by June 1984, in order not to require redesign of the project. We further believe that the modal decision on Route 105 should be made in conjunction with the modal decision on Route 110 (Harbor Freeway) due to their relationship and common transit trips. We also believe this decision should be made with full recognition of available funding sources for transit and a maximization of these funds in developing the most effective transit system for the region.

The complexities of this project require a great deal of cooperation and coordination. We have oversight committees at both the National and State levels as well as a series of coordinating committees. The Task Force Committee comprised of all agencies involved in the project meets each month. The Steering Committee comprised of CALTRANS, FHWA, and HCD meets every two weeks to resolve issues involving project delivery. The Corridor Caucus comprised of representatives of each corridor city meets each month to discuss project issues as they relate to the communities.

The Consent Decree also established the Office of the Advocate to provide assistance to displaced persons in the corridor and the Century Freeway Affirmative Action Committee (CFAAC) to ensure that minority contractors and corridor residents are offered the full opportunities outlined in the Decree. We have a special staff to respond to the issues and concerns raised by the Advocate's Office as they are identified in the corridor. We are also in daily contact with staff of the Affirmative Action Committee dealing with issues relating to minority and corridor resident participation on construction projects. We also make presentations to the regular meetings of the Committee.

To respond to the unique requirements of the Consent Decree and the magnitude of this project, CALTRANS has made some organizational changes. In our Headquarters Office in Sacramento, John Kozak is the Chief of the new Division of Century Freeway. John is responsible for coordination of all aspects of the project with units in Sacramento. In Los Angeles, we have created a new Deputy District Director position held by Jerry Baxter as Project Manager and also a new Office of Civil Rights. We now have the Civil Rights Office fully staffed, have developed special procedural guidelines and have made significant progress in specialized training. This office is responsible for working closely with CFAAC in establishing MBE goals, certifying MBE contractors and monitoring contract compliance as it pertains to MBE and corridor resident participation. This office, in conjunction with CFAAC and the Office of Economic Development, is also providing a housing job training program and hopefully soon a highway construction job training program for corridor residents. We are also funding a jobs placement center to assist corridor residents in preparing for and obtaining construction jobs on the project.

Although the replenishment housing element of the project is the responsibility of the Department of Housing and Community Development, we obviously have a keen interest in its progress. CALTRANS has a Branch in the Right of Way Department which was developed specifically to relate to HCD and FHWA in the housing program.

The need for this office was apparent early in the program when it was recognized that a high degree of coordination would be necessary to ensure that the freeway project displacement schedule and analyses of displacee needs would be integrated into the planning of replenishment housing, and to further ensure that housing units would be occupied promptly upon completion.

This replenishment unit has personnel in the same location in Inglewood in which HCD's and FHWA's Century Freeway Offices are located, and coordination is a daily and continuous process.

We are pleased with the recent new management appointments within HCD and the progress they have brought to the housing program. Not only have they recently produced a request for proposals for 800 urgently needed rental units but they are seriously dealing with the issue of long-term ownership and management to ensure that low income housing will continue to be available.

Since the amended Decree was signed in 1981, we have been on an expedite schedule to deliver the project. Our schedule calls for the delivery of seventy-seven projects by 1990. Currently, we have produced plans for fourteen projects and are about 30 percent complete on design of the total project. We have just increased our design staff by 20 percent to accommodate an expedite schedule of plans. As to the overall appraisal and acquisition program for the Century Freeway Project, these activities are going along steadily. Of a total of about 6,200 total parcels needed for the project, nearly 5,000 have been acquired.

A total of 1,709 residential units, most of which were vacant and boarded up, have been approved for sale or demolition. Our Clearance Branch has sold 358 of these units for relocation and demolished 1,082 units. Of the remaining units, 208 are now in process for demolition and the rest are in process for sale at public lottery. It is anticipated that substantially all of CALTRANS owned boarded up units will have been removed by the end of 1983.

For the past two years, we have contracted with corridor cities who wished to do so to provide police security for the corridor. In some areas State Police have been providing this service. This year we have contracted with the State Police to provide security for the entire corridor. We continue, however, to negotiate with local cities and as these agreements are reached their police security will replace the State Police. It will be our goal in future years to negotiate contracts that recognize the changes in security and protection needs in each city as the number of boarded up houses are reduced and more area is under active construction. We anticipate that security costs this year will be around $1.6 million. FHWA has indicated that they will only participate in a total cost of $0.5 million.

The Consent Decree provided that CALTRANS could proceed with certain amounts of construction awards prior to the completion of housing. This arrangement has resulted in the necessary displacement of families prior to the availability of replenishment housing. Because many of these families were not eligible for standard relocation program benefits, and especially because many of these families were and are low income households, CALTRANS was extremely concerned about the unsuitability of simply evicting these households without providing some sort of financial assistance during their resettlement.

In order to deal with this problem, CALTRANS has instituted a relocation policy for this interim period which will actually provide rental supplements to the new landlords of these relocated families until they are able to obtain replenishment housing. In the meantime, these families will retain their eligibility for the housing program. Further, CALTRANS is proposing to pay the additional moving costs because of the necessity of the second moves. This policy is estimated to cost about one million dollars. CALTRANS will request FHWA participation in this cost and is hopeful that it will be considered as a project cost by the Federal Government.

We are just entering the construction phase of the freeway element of the project. We have three projects completed and under way and by the end of this calendar year expect to have an additional forty million in contracts advertised. The future schedule is as follows:

[Dollars in millions]

Fiscal year	Number of projects	Construction cost estimate
1983-84	14	42.2
1984-85	13	121.2
1985-86	7	117.1
1986-87	14	256.3
1987-88	3	146.2
1988-89	6	74.0
1989-90	8	105.2

California appreciates what Congressman Anderson has done for transportation in California. The 1982 Surface Transportation Assistance Act represents the finest piece of Federal legislation yet enacted from California's standpoint.

The increase in the Federal programs has allowed California to program $6.3 billion in capital outlay in the 1983 STIP. This represents a 50 percent increase over the $4.2 billion that was programmed in the 1982 STIP. The Interstate Completion Program is a major feature of this program. About one-third of the programmed capital outlay ($2.3 billion) is for the completion of the Interstate System in California.

The $2.3 billion program for Interstate Completion contains $1.3 billion for the Century Freeway.

Because the Federal legislation also reserves certain funds for discretionary allocation by the Secretary of Transportation, California has programmed an additional $400 million in projects. Of this amount, $176 million is for the Century Freeway.

At the direction of the California Transportation Commission, the Department is programming Federally aided projects so as to obligate all Federal funds. This does not create a problem with the north/south split; however, we do have a problem in meeting County minimums. This problem is currently being addressed by the Department and the Commission.

In closing, let me say that we are excited about entering the final or construction phase of this project and are extremely serious about completing it on schedule. We know the schedule is optimistic but we have dedicated ourselves and our resources to making the total project a reality and we thank you for your cooperation and assistance.

INTERSTATE 105
CENTURY
FREEWAY/TRANSITWAY

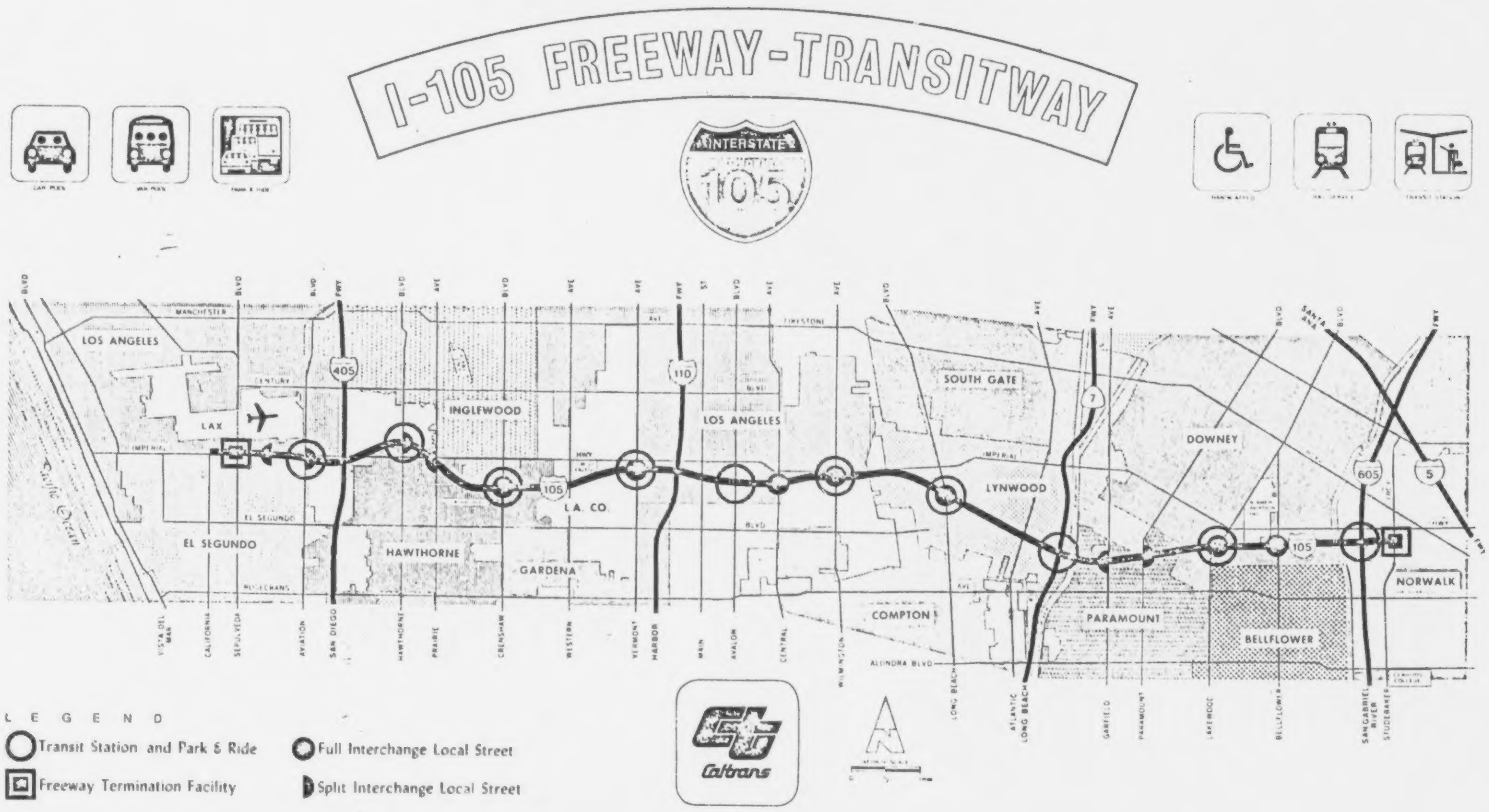
Status Report

July 1983

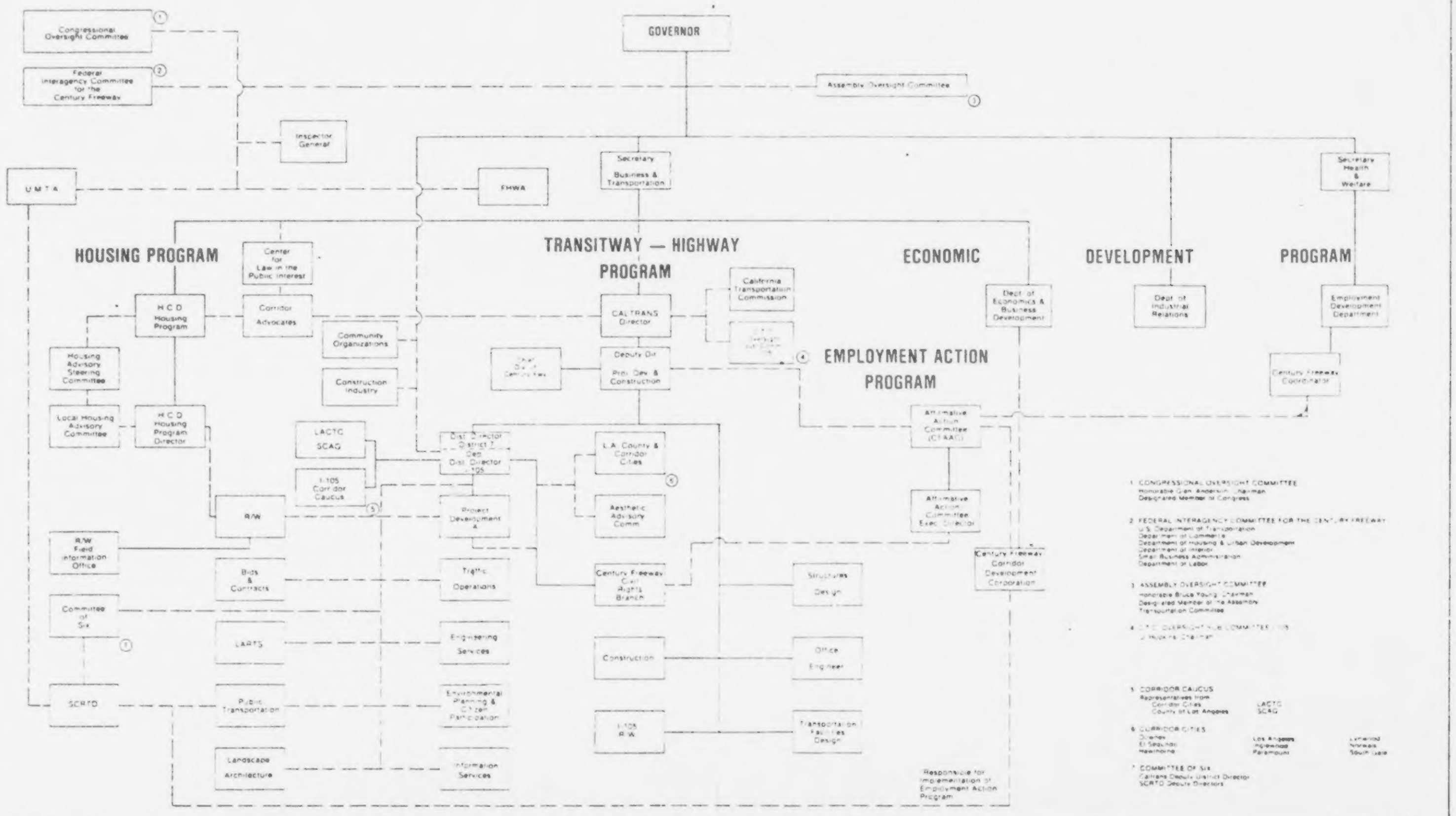
Caltrans

CONSENT DECREE MAP
ORGANIZATION CHART
INDEX MAP
CONSENT DECREE SUMMARY
CONSTRUCTION SCHEDULE
CONSTRUCTION SCHEDULE
BAR CHART
●HOUSING / DISPLACEMENT
SCHEDULE
PROJECT STATUS
INTERSTATE ESTIMATE
EIGHT LANE
VS
SIX LANE CONSTRUCTION

CONSENT DECREE MAP


I-105 FREEWAY-TRANSITWAY
INTERSTATE 105
LOS ANGELES
LAX
EL SEGUNDO
HAWTHORNE
INGLEWOOD
GARDENA
L.A. CO.
LOS ANGELES
SOUTH GATE
LYNWOOD
COMPTON
PARAMOUNT
DOWNEY
BELLFLOWER
NORWALK
Pacific Ocean
405
110
7
605
5
105
VISTA DEL MAR
CALIFORNIA
SEPULVEDA
AVIATION
SAN DIEGO
HAWTHORNE
PRAIRIE
CRENSHAW
WESTERN
VERMONT
HARBOR
MAIN
AVALON
CENTRAL
WILMINGTON
LONG BEACH
ATLANTIC
LONG BEACH
GARFIELD
PARAMOUNT
LAKEWOOD
BELLFLOWER
SAN GABRIEL RIVER
STUDEBAKER
MANCHESTER
CENTURY
IMPERIAL
EL SEGUNDO
ROSECRANS
FIRESTONE
ALONDRA BLVD
SANTA ANA
L E G E N D
Transit Station and Park & Ride
Freeway Termination Facility
Full Interchange Local Street
Split Interchange Local Street
Caltrans

FUNCTIONAL ORGANIZATION FOR I—105 PROJECT


GOVERNOR
Congressional Oversight Committee ①
Federal Interagency Committee for the Century Freeway ②
Assembly Oversight Committee ③
Inspector General
UMTA
FHWA
Secretary Business & Transportation
Secretary Health & Welfare
HOUSING PROGRAM
TRANSITWAY — HIGHWAY PROGRAM
ECONOMIC DEVELOPMENT PROGRAM
EMPLOYMENT ACTION PROGRAM
Center for Law in the Public Interest
HCD Housing Program
Corridor Advocates
Community Organizations
Construction Industry
Housing Advisory Steering Committee
Local Housing Advisory Committee
HCD Housing Program Director
CALTRANS Director
California Transportation Commission
CTC Oversight Sub Comm I-105 ④
Chief Div. of Century Fwy
Deputy Dir Proj. Dev. & Construction
Dept. of Economics & Business Development
Dept. of Industrial Relations
Employment Development Department
Century Freeway Coordinator
Affirmative Action Committee (CFAAC)
Affirmative Action Committee Exec. Director
Century Freeway Corridor Development Corporation
LACTC SCAG
I-105 Corridor Caucus ⑤
Dist. Director District 7 Dep. Dist. Director I-105
L.A. County & Corridor Cities ⑥
Aesthetic Advisory Comm
R/W
Project Development A
Century Freeway Civil Rights Branch
R/W Field Information Office
Bids & Contracts
Traffic Operations
Committee of Six ⑦
LARTS
Engineering Services
Construction
Office Engineer
Structures Design
SCRTD
Public Transportation
Environmental Planning & Citizen Participation
I-105 R/W
Transportation Facilities Design
Landscape Architecture
Information Services
Responsible for implementation of Employment Action Program

1 CONGRESSIONAL OVERSIGHT COMMITTEE
Honorable Glen Anderson, Chairman
Designated Member of Congress

2 FEDERAL INTERAGENCY COMMITTEE FOR THE CENTURY FREEWAY
U.S. Department of Transportation
Department of Commerce
Department of Housing & Urban Development
Department of Interior
Small Business Administration
Department of Labor

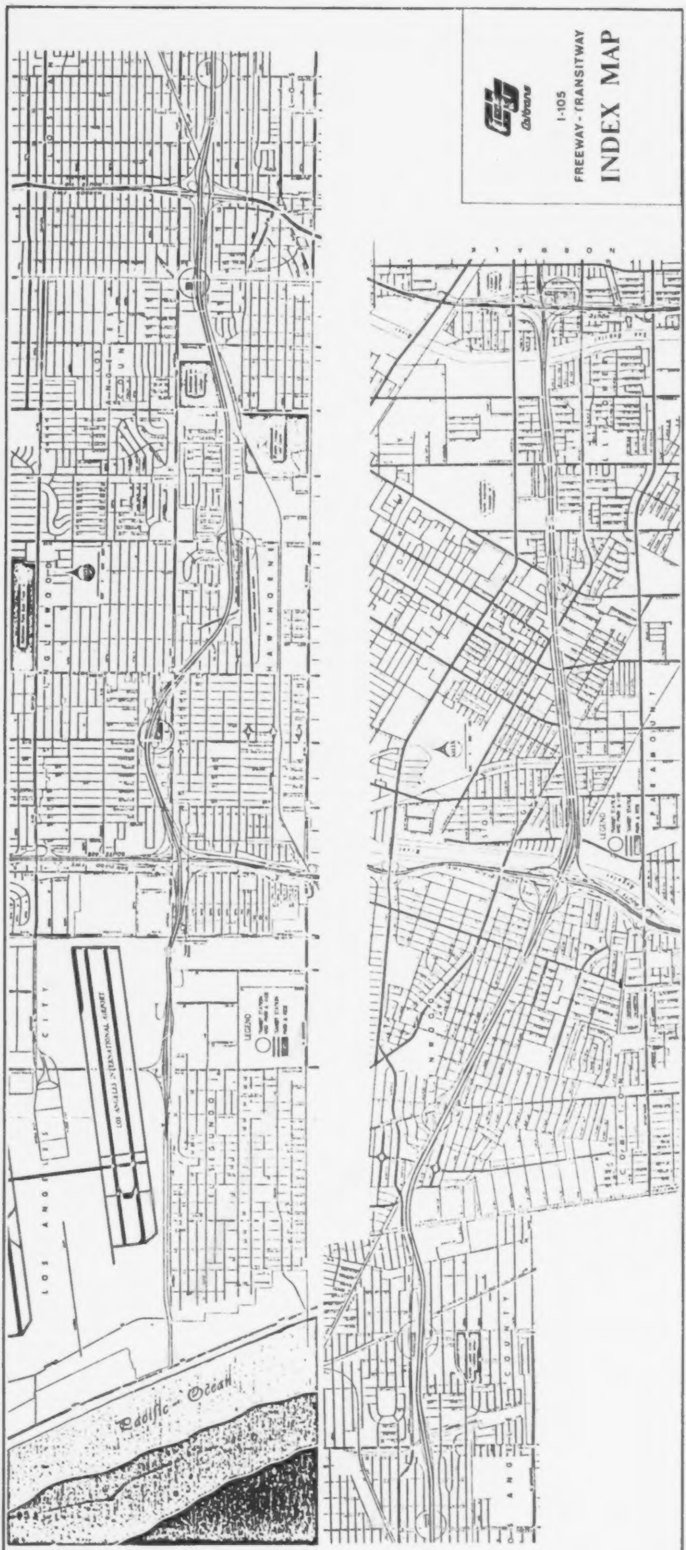
3 ASSEMBLY OVERSIGHT COMMITTEE
Honorable Bruce Young, Chairman
Designated Member of the Assembly
Transportation Committee

4 CTC OVERSIGHT SUB COMMITTEE I-105
J. Hopkins, Chairman

5 CORRIDOR CAUCUS
Representatives from
Corridor Cities LACTC
County of Los Angeles SCAG

6 CORRIDOR CITIES
Downey Los Angeles Lynwood
El Segundo Inglewood Norwalk
Hawthorne Paramount South Gate

7 COMMITTEE OF SIX
Caltrans Deputy District Director
SCRTD Deputy Directors



Caltrans
LOS ANGELES
INGLEWOOD
HAWTHORNE
EL SEGUNDO
LOS ANGELES CITY
LOS ANGELES INTERNATIONAL AIRPORT
Pacific Ocean
LEGEND
NORWALK
PARAMOUNT
LYNWOOD
COMPTON
LOS ANGELES COUNTY

I-105
FREEWAY - TRANSITWAY
INDEX MAP

JULY, 1983

AMENDED FINAL CONSENT DECREE

SUMMARY

The Amended Final Consent Decree identifies the Route 105 Freeway/Transitway Project, a Housing Plan, and an Employment Action Plan. It further identifies the organizational structure under which the elements of the Decree are to be implemented and the responsible parties.

PROJECT DEFINITION

The Route 105 Freeway/Transitway is 17.2 miles long from the Route 605 Freeway on the east to the vicinity of Los Angeles International Airport on the west. It will be three lanes in each direction and contain a separate transit/HOV facility which will be convertible to rail. There will be four freeway-to-freeway interchanges and ten local interchanges. There will also be ten transit stations plus two terminal stations.

OFFICE OF THE ADVOCATE

The Decree establishes the Office of the Advocate for Corridor Residents to assist displacees and to monitor CALTRANS for compliance with applicable State and Federal requirements.

DEVELOPMENT AND IMPLEMENTATION OF HOUSING PLAN: EXHIBIT B

The housing program under the Century Freeway Project consists of three elements. First, the State (with Federal funding participation) must provide 1,025 housing units through new construction or rehabilitation. Second, the State (with Federal participation) will construct or rehabilitate 1,175 units as "last resort housing" pursuant to the Relocation Act. Third, a $110 million fund will be set up to produce the maximum number of units possible.

The Decree sets forth a staging plan to ensure that a certain portion of housing will be available as the freeway construction proceeds. The Consent Decree further lists the categories of eligible purchasers and occupants. For example, at least 5% of all units must be affordable to very, very low income households (less than 25% of the median income for the Los Angeles Standard Metropolitan Statistical Area) and at least 25% of all units must be affordable to very low income households (between 25% and 50% of median income). Finally, the Decree sets the priority for eligibility to purchase and to rent units.

The housing program provides a process CALTRANS must use for disposing of excess property and allows for relocation assistance payments.

AMENDED EMPLOYMENT ACTION PLAN: EXHIBIT C

I. MINORITY BUSINESS ENTERPRISE PROGRAM

The Amended Final Consent Decree incorporates the United States Department of Transportation Minority Business Enterprise ("MBE") program regulations of March 31, 1980. The regulations define an MBE as a business which is at least 51% owned by one or more minorities or women and whose management and daily business operations are controlled by one or more such individuals.

The regulations and the Consent Decree require that CALTRANS set goals for MBE participation based on the number of businesses in the community that have been identified as capable of doing certain types of work and on the types of work that a contractor or developer would normally subcontract. The CALTRANS Office of Civil Rights, with Century Freeway Affirmative Action Committee's ("CFAAC") assistance, must develop outreach techniques to bring more MBE's into the Century Freeway Program by advertising in community newspapers and providing technical assistance, for example.

CALTRANS must also "certify" that MBE's are eligible to participate in the program. The regulations and the Decree set out the criteria CALTRANS must use to determine eligibility. CALTRANS must then prepare a directory of "certified" MBE's and make it available to the public. The Decree also explains how an MBE subcontractor's work will be counted toward the contract goal. CALTRANS must prepare a directory of "certified" MBE's and make it available to contractors and others.

The Consent Decree contract award process differs from the traditional award process in that the low bidder is not automatically the successful bidder. Rather, the bids are separated initially into two groups -- those that met the MBE goal and those that failed. Looking at the bidders that met the goal, CALTRANS determines whether the lowest bidder's price is "reasonable". If the price is reasonable, CALTRANS must award to that bidder. And, all other bidders that failed to meet the goal are conclusively presumed to have failed to have made sufficient reasonable efforts and consequently are ineligible to be awarded the contract.

If CALTRANS determines that no competitor meeting the goal has offered a reasonable price, the group of bidders is lined up in the order of percentage of MBE participation. CALTRANS then evaluates the bids beginning with the bidder having the highest percentage MBE participation for reasonable price and for "sufficient reasonable efforts" to meet the MBE goal. These contractors must document the steps taken to obtain MBE participation, such as advertisement, contracts, letters and attendance at pre-bid meetings. Competitors that fail to meet MBE goals and fail to demonstrate sufficient reasonable efforts are ineligible to be awarded the contract.

The Consent Decree also requires that bidders make good faith efforts to use at least five MBE's to increase minority and female participation further. If an MBE subcontractor must be replaced, the Consent Decree requires the prime contractor to make good faith efforts to substitute another MBE.

Minorities and women are not the only ones the Consent Decree seeks to include in the Century Freeway Program. Bidders are required to make best efforts to locate corridor residents as well.

II. CONFERENCES

CALTRANS and CFAAC are required to convene the pre-bid conference, which is attended by all contractors who intend to bid on the contract. The purpose of the conference is to educate contractors about State and Federal affirmative action plans and Consent Decree requirements.

Before each bid is accepted, CALTRANS and CFAAC hold a pre-award conference with the apparent lowest bidder, the proposed subcontractors, and any relevant unions. The purpose of the conference is to determine whether the lowest bidder's plans are truly responsive to the requirements and goals in the Bid Specification document.

In addition to any pre-construction conference held, a separate pre-construction conference on equal employment, minority business enterprises and business preferences is convened to ensure that the contractor is fully implementing the pledges made in its bid.

Attendance at these conferences will be a consideration in determining whether bidders meet the responsiveness criteria.

III. CENTURY FREEWAY AFFIRMATIVE ACTION COMMITTEE (CFAAC)

CFAAC is made up of one representative from each of the following organizations: CALTRANS' Civil Rights Division; FHWA Civil Rights Division; Board of Supervisors of the County of Los Angeles; the National Association for the Advancement of Colored People, Los Angeles Branch; the National Organization of Women; the Mexican-American Opportunity Foundation, and the Governor of California. The duties and responsibilities of the Committee include establishing a regular meeting schedule, hiring a director and staff, and preparing a budget. The Committee also reviews all bids and contracts and assists in locating and recruiting minority business participation.

I-105 CONSTRUCTION SCHEDULE

7/1/83

Project # Proj. ID	Adv. Date Const time	Seg. Post Mile	Description	1983 Estimated Construction Cost ($1,000)	R/W Cert. Date
Advertised Projects					
3-1 07143A	complete	13.5	Vicinity of Long Beach Freeway in Lynwood Construct haul ramps and fence Wilco Dump Phase I	* $ 102	10-27-81
3 07144G	under const.	13.5	Vicinity of Long Beach Freeway in Lynwood Remove unsuitable Material Wilco Dump Phase II	* $ 4,000 (Budget 1980-81)	3-2-82
9-1 00747G	under const.	8.9	On 118th St, Robin to Slater in Willowbrook Extend 118th St across Compton Creek Construct bridge and approaches	* 252	4-28-82
12 05309G	advertised	17.6	On Southbound Route 605 Fwy, Firestone Blvd to Cecilia St in Norwalk Widen southbound roadway and Cecilia bridge, construct soundwall; landscaping	$ 1,627	2-15-83
			TOTAL Advertised Projects	$ 5,981	
1982 - 1983 F.Y.					
4 05312G	[illegible] (12 mos)	2.1	On San Diego Fwy, El Segundo Blvd to 123rd St, Westside, in Del Aire Const oct realigned La Cienega Blvd	$ 1,800	5-16-83
5 05313G	[illegible] (8 mos)	2.1	On San Diego Fwy, Lennox Blvd to Century Blvd in Lennox Construct retain wall, cul-de-sac, and extend pedestrian UC	$ 776	5-06-83
7 05316G	[illegible] (12 mos)	[illegible]	At Budlong Ave in Southwest Los Angeles Construct Budlong Ave overcrossing and frontage road	$ 1,135	7-83
10 05318G	[illegible] (12 mos)	1.1	At State St, in Lynwood Construct State St undercrossing structure	$ 1,947	12-02-82
8 05314G	[illegible] (15 mos)	[illegible]	At Vermont Ave and at Hoover St in Los Angeles Construct Vermont Ave overcrossing, Hoover St underrcrossing & overcrossing, and reconstruct Hoover St	$ 6,637	8-83
6 05315G	10-83 (12 mos)	5.7	At Western Ave in Southwest Los Angeles Construct Western Ave OC and Western detour bridge	$ 3,568	9-83
9 05317G	10-83 (13 mos)	7.8	Main St to Central Ave, (at 3 locations) in Watts Construct Main St, San Pedro St, and Stanford Ave undercrossing structures	$ 6,950	8-83
16 05305G	10-83 (13 mos)	7.4	On Harbor Fwy in Los Angeles Construct eastbound separation structure for haul road and 117th St OC, reconstruct Railroad underpass	$ 9,918	9-83
21 06012G	10-83 (12 mos)	6.3	At Normandie Ave in Southwest Los Angeles Construct Normandie Ave overcrossing	$ 1,395	8-83
			TOTAL 1982-83 F.Y.	$34,126	
1983 - 1984 F.Y.					
**12-1 00745G	10-83 (12 mos)	17.8	On Northbound Route 605 Fwy, Firestone Blvd to Cecilia St in Norwalk Widen northbound roadway and Cecilia bridge	$ 2,353	8-83
**40-1 00765G	10-83 (12 mos)	13.5	On Long Beach Fwy, at Compton Blvd in Paramount Construct bridge and city street	$ 1,988	8-83
11 05319G	1-84 (8 mos)	17.1	Woodruff Ave to San Gabriel River, in Downey Construct major storm drain	$ 1,160	12-83

* Bid Amount

**FAI funds can be obligated in preceding Federal Fiscal Year

I-105 CONSTRUCTION SCHEDULE

Project # Proj. ID	Adv. Date Const time	Beg. Post Mile	Description	1983 Estimated Construction Cost ($1,000)	R/W Cert. Date
1983 - 1984 F.Y. (contd)					
22-2 00755G	4-84 (10 mos)	7.4	On Harbor Fwy, Century Blvd to 92nd St in Los Angeles Widen undercrossing structure, extend pedestrian undercrossing, construct retaining wall, reconstruct ramps, realign frontage road, landscaping	$ 3,572	3-84
22-3 00756G	4-84 (7 mos)	7.4	On Harbor Fwy, El Segundo Blvd to 117th St in Los Angeles Construct cul-de-sac and realign alley	$ 70	3-84
33-1 00774G	7-84 (6 mos)	5.5	Wilton Pl to Vermont Ave (portions) in Southwest Los Angeles Construct cul-de-sacs and portions of frontage road	$ 390	5-84
14 05307G	8-84 (18 mos)	2.1	On San Diego Fwy, El Segundo Blvd to 116th St, eastside, in Del Aire Construct frontage road, cul-de-sac and drainage	$ 1,924	6-84
4-1 00748G	9-84 (18 mos)	2.1	On San Diego Fwy, El Segundo Blvd to 120th St (portions) in Del Aire Construct southbound off ramp separation structure and ramps	$ 1,790	7-84
4-2 00750G	9-84 (12 mos)	2.1	On San Diego Fwy, Rosecrans Ave to El Segundo Blvd in unincorporated area Construct realigned east frontage road, install signals and construct off ramp	$ 2,116	7-84
5-1 00751G	9-84 (12 mos)	2.1	On San Diego Fwy, 104th St to century Blvd, westside, in Lennox Construct retaining wall and cul-de-sac	$ 600	7-84
5-2 00752G	9-84 (12 mos)	2.1	On San Diego Fwy, 109th St to Century Blvd in Lennox Construct frontage road & cul-de-sac	$ 300	7-84
17 05304G	9-84 (18 mos)	14.1	Garfield Ave to Downey Ave (at 4 locations) in Paramount Construct Garfield Ave, Paramount Blvd, Merkel Ave & Downey Ave overcrossing strucutres, frontage roads, utilities and drainage	$ 7,744	5-84
22-4 06579G	9-84 (13 mos)	7.4	On Harbor Fwy, El Segundo Blvd to 120th St Widen Harbor Fwy and El Segundo Blvd overcrossing, reconstruct Figueroa St and 120th St overcrossing	$ 11,300	8-84
23 06014G	10-84 (20 mos)	8.9	Central Ave to Success Ave (at three locations), in Watts-Willowbrook Construct Central Ave, Compton Creek and Success Ave undercrossing structures	$ 6,900	8-84
			TOTAL 1983-84 F.Y.	$42,207	
1984 - 1985 F.Y.					
**24 06015G	10-84 (19 mos)	11.9	Fir St to Harris St (at 4 locations) in Lynwood Construct Fir St, Bullis Rd, Gertrude Pl & Harris St undercrossing structures	$ 8,937	9-84
**18 05303G	11-84 (24 mos)	16.9	Dunrobin Ave to San Gabriel River (at 3 locations) in Downey and Norwalk Construct Dunrobin Ave and Woodruff Ave overcrossing structures, San Gabriel River bridge, frontage roads, connector (portions); embankment, drainage and cul-de-sac	$13,258	9-84
**22-1 00754G	11-84 (7 mos)	7.4	On Harbor Fwy, Imperial Hwy to Century Blvd in Los Angeles Realign Grand Ave	$ 600	9-84
**26-1 00763G	11-84 (15 mos)	12.9	Atlantic Ave to Long Beach Fwy in Lynwood Construct frontage road, soundwalls, fence and cul-de-sac	$ 1,900	9-84

**FAI funds can be obligated in preceding Federal Fiscal Year

I-105 CONSTRUCTION SCHEDULE

Project # Proj. ID	Adv. Date Const time	Beg. Post Mile	Description	1983 Estimated Construction Cost ($1,000)	R/W Cert. Date
1984 - 1985 F.Y. (contd)					
26-1 00761G	4-85 (13 mos)	11.6	At Long Beach Blvd in Lynwood Construct undercrossing structure	$ 8,930	2-85
22 06013G	9-85 (20 mos)	7.4	On Harbor Fwy, Imperial Hwy to Century Blvd in Los Angeles Widen and reconstruct structures, construct retaining walls, added pavement lanes, realign Olive St; landscaping	$17,730	7-85
23-2 06534G	9-85 (20 mos)	8.3	Avalon Blvd to Compton Ave (at 2 locations) in Watts-Willowbrook Construct Avalon Blvd and Compton Ave undercrossings and approach fills	$ 8,000	8-85
25-1 06525G	9-85 (11 mos)	10.3	Mona Blvd to Santa Fe Ave in Lynwood and L.A. Co. Realign Imperial Hwy	$ 3,600	8-85
26 06017G	9-85 (36 mos)	12.9	Atlantic Ave to Long Beach Fwy in Lynwood. Stage I of Rte 105/7 Interchange construction Construct structure and place embankment	$25,384	7-85
42-1 00741G	9-85 (18 mos)	17.8	On Route 605 Fwy, at Rosecrans in Norwalk Construct Rosecrans Interchange	$ 724	7-85
17-1 06526G	10-85 (12 mos)	14.3	Facade Ave to Arthur Ave in Paramount Construct Century Blvd underpass, Facade Ave overcrossing and Arthur Ave pedestrian overcrossing, drainage and utilities	$ 4,749	9-85
23-1 06535G	10-85 (20 mos)	9.8	At Wilmington Ave in Watts/Willowbrook Construct Wilmington Ave undercrossing structure and Willowbrook Overhead	$10,000	8-85
27 06018G	10-85 (21 mos)	15.1	Downey Ave to Bellflower Blvd (at 6 locations) in Downey Construct Gardendale Ave, Barlin Ave, Lakewood Blvd, Hanwell St, Ardis Ave and Bellflower Blvd overcrossing structures, frontage roads, utilities and drainage	$17,429	9-85
			TOTAL 1984-85 F.Y.	$121,241	
1985 - 1986 F.Y.					
**15 05306W	9-85 (18 mos)	4.7	Crenshaw Blvd to Wilton Pl (at 3 locations) in Inglewood and in Hawthorne Construct Crenshaw Blvd undercrossing, Van Ness Ave overcrossing and Wilton Pl overcrossing structures	$ 9,644	7-85
**29 06020W	9-85 (18 mos)	2.1	On San Diego Fwy, at El Segundo Blvd Construct detour and bridges	$11,678	7-85
**19 06010W	10-85 (24 mos)	0.5	At Sepulveda Blvd in El Segundo and in Los Angeles Construct Sepulveda/Imperial Interchange and freeway viaduct; landscaping	$24,900	8-85
34 06025G	2-86 (20 mos)	7.8	Main St to Mona Blvd in Watts/Willowbrook and Wilton Pl to Hoover St in Southwest Los Angeles Excavate from Southwest Los Angeles to construct embankment in Watts/Willowbrook	$ 4,320	12-85
49 06039W	3-86 (25 mos)	1.5	Aviation Blvd to La Cienega Blvd in Los Angeles Construct freeway viaduct and Aviation Blvd Transit Station	$35,895	1-86
25 06016G	6-86 (26 mos)	10.3	Mona Blvd to Santa Fe Ave in Lynwood Construct Alameda St Viaduct	$28,445	6-86
27-1 06558G	9-86 (12 mos)	15.1	Downey Ave to Clark Ave in Downey Construct Clark Ave overcrossing, frontage roads, utilities and drainage	$ 1,999	7-86
			TOTAL 1985-86 F.Y.	$117,081	

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I-105 CONSTRUCTION SCHEDULE

Project # Proj. ID	Adv. Date Const time	Beg. Post Mile	Description	1983 Estimated Construction Cost ($1,000)	R/W Cert. Date
1986 - 1987 F.Y.					
**28 06019W	10-86 (18 mos)	2.1	On the San Diego Fwy, at Century Blvd in Lennox and in Inglewood Reconstruct Century Blvd Interchange and construct detour	$16,105	8-86
**36 06027W	10-86 (36 mos)	0.7	Hughes Dr to Aviation Blvd in El Segundo and in Los Angeles Construct Fwy Viadcut and reconstruct Imperial Hwy	$44,700	8-86
30 06021W	2-87 (12 mos)	3.0	Burin Ave to Yukon Ave (portions) in Lennox, Hawthorne and Inglewood Const. major flood control channel structures and frontage road	$19,080	12-86
31-1 00762W	2-87 (12 mos)	2.5	Inglewood Ave to Burin Ave in Lennox Construct frontage road	$ 1,000	12-86
33 06024W	2-87 (36 mos)	5.5	Wilton Pl to Vermont Ave in southwest Los Angeles Final grading and paving; relocate railroad, electrical substation, sewer line; construct LACFCD channel and landscaping	$19,015	12-86
35 06026W	2-87 (18 mos)	10.9	Santa Fe Ave to Atlantic Ave and Downey Rd to Woodruff Ave in Lynwood and in Downey Excavate from Downey to construct embankment in Lynwood	$12,457	12-86
42-2 00742W	2-87 (18 mos)	17.9	Leibacher Ave to Studebaker Rd in Norwalk Stage III Interchange Construction Construct overcrossing, ramps & Cul-de-Sac	$ 3,469	12-86
13 05308W	3-87 (30 mos)	17.8	On Route 605 Fwy, south of Fairton St to Foster Rd in Norwalk Widen 605 Fwy, construct branch connectors and retaining wall	$ 8,422	1-87
42 06033G	3-87 (32 mos)	17.8	On Route 605 Fwy, Foster Rd to Imperial Hwy in Norwalk Stage II Interchange construction, construct structures and frontage road	$41,266	1-87
39 06030W	6-87 (24 mos)	7.4	Harbor Fwy to Main St in Los Angeles Construct east portion of Interchange and realign Broadway, reconstruct Harbor Fwy; landscaping	$42,904	4-87
12-2 00764G	7-87 (30 mos)	17.8	On Route 605 Fwy, Imperial Hwy to Firestone Blvd in Norwalk Widen southbound roadway, construct connector and ramps	$ 4,702	5-87
20 06011W	7-87 (18 mos)	3.1	Hawthorne Blvd to Prairie Ave (at 3 locations) in Lennox and in Hawthorne Construct Hawthorne Blvd, Imperial Hwy and Prairie Ave overcrossing structures	$16,530	5-87
41 06032W	8-87 (13 mos)	14.1	Garfield Ave to Dunrobin Ave in Paramount, in South Gate and in Downey Final grading, construct frontage road and soundwalls	$24,977	6-87
32-1 00746W	9-87 (12 mos)	4.2	Dehn Ave to Wilton Place (portion) in Inglewood and in Hawthorne Construct frontage roads, sewers and storm drain	$ 1,663	7-87
			TOTAL 1986-87 F.Y.	$236,290	
1987 - 1988 F.Y.					
**44 06035W	10-87 (26 mos)	7.8	Main St to Mona Blvd in Watts/Willowbrook Final grading and paving and construct Avalon Blvd and Wilmington Ave Transit Stations; landscaping	$ 19,826	8-87

**FAI funds can be obligated in preceding Federal Fiscal Year

I-105 CONSTRUCTION SCHEDULE

Project # Proj. ID	Adv. Date Const time	Beg. Post Mile	Description	1983 Estimated Construction Cost ($1,000)	R/W Cert. Date
1987 - 1988 F.Y. (contd)					
40 06031W	6-88 (21 mos)	13.5	On the Long Beach Fwy, Compton Blvd to Imperial Hwy in Paramount, Lynwood and in unincorporated area Stage II interchange construction, realign Long Beach Fwy; Park and Ride	$ 14,550	6-88
37 06028W	9-88 (30 mos)	2.1	La Cienega Blvd to Inglewood Ave and on the San Diego Fwy, El Segundo Blvd to Century Blvd in Lennox and in Del Aire Complete construction of San Diego/I-105 Freeway Interchange; landscaping	$111,827	7-88
			TOTAL 1987-88 F.Y.	$146,203	
1988 - 1989 F.Y.					
**46-1 00757W	10-88 (7 mos)	6.7	Vermont Ave to Main St in Los Angeles Construct cul-de-sac, Park and Ride lot; landscaping	$ 681	8-88
**46-2 00758W	10-88 (7 mos)	6.7	Vermont Ave to Main St in Los Angeles Construct frontage road and cul-de-sacs	$ 320	8-88
**44-1 00749W	11-88 (20 mos)	10.9	Santa Fe Ave to Atlantic Ave in Lynwood Final grading and paving and construct Long Beach Blvd Transit Station; soundwalls and landscaping	$ 18,729	9-88
32 06023W	12-88 (18 mos)	4.2	Yukon Ave to Wilton Pl in Hawthorne Final grading and paving; construct Crenshaw Blvd Transit Station and ramps and construct bridges over Dominguez Channel; landscaping	$ 16,299	10-88
46 06037W	4-89 (26 mos)	7.4	At the Harbor Freeway, in Los Angeles Complete interchange structures, ramps and construct Vermont Ave Transit Station, final paving, landscaping	$35,250	2-89
46-3 00759W	4-89 (13 mos)	6.7	Vermont Ave to Main St and on Harbor Fwy, El Segundo Blvd to Colden Ave in Los Angeles Construct soundwalls	$ 2,722	2-89
			TOTAL 1988-89 F.Y.	$74,001	
1989 - 1990 F.Y.					
**38 06029W	10-89 (30 mos)	2.5	Inglewood Ave to Doho Ave in Lennox, Hawthorne and Inglewood Final grading, paving, pump house structures, bridges and landscaping	$24,905	8-89
**48-1 00770W	10-89 (24 mos)	15.8	At Lakewood Blvd in Downey Construct eastbound off-ramp to Lakewood Blvd and construct Lakewood Blvd Transit Station	$ 5,200	8-89
43-2 00744W	12-89 (12 mos)	17.8	Route 605 Fwy to Studebaker Road in Norwalk Construct Route 605 Transit Station, separation structure and station ramps	$ 3,900	10-89
43-1 00743W	3-90 (12 mos)	16.9	Dunrobin Ave to Studebaker Road in Norwalk Final grading and paving	$ 3,130	1-90
51-1 00771W	4-90 (15 mos)	3.1	At Hawthorne Blvd in Lennox Construct Hawthorne Blvd Transit Station and Park & Ride lot	$ 1,050	2-90
48 00760W	6-90 (18 mos)	14.1	Garfield Ave to Dunrobin Ave in Paramount, South Gate and in Downey Final Grading and paving; landscaping	$20,199	2-90
40-2 00768W	7-90 (6 mos)	13.5	At Long Beach Fwy in Lynwood Construct Long Beach Fwy Transit Station	$ 1,040	5-90

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I-105 CONSTRUCTION SCHEDULE

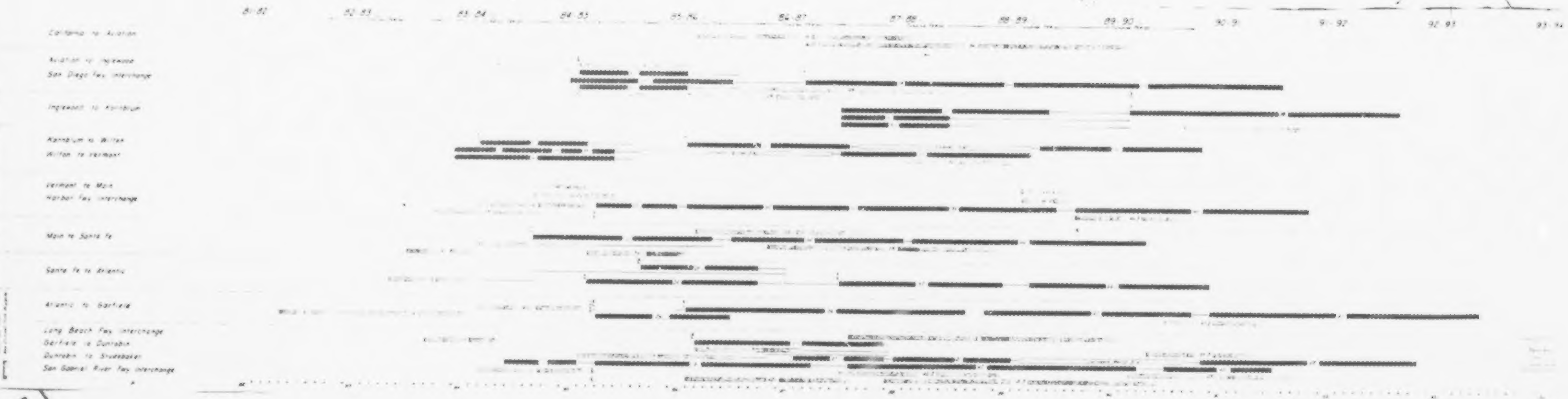
Project # Proj. ID	Adv. Date Const time	Post Mile	Description	1983 Estimated Construction Cost ($1,000)	R/W Cert. Date
1989 - 1990 F.Y. (contd)					
47 06038W	7-90 (30 mos)	12.9	Atlantic Ave to Garfield Ave in Lynwood and in Paramount Stage III interchange construction Construct LA River structures, earthwork, median barrier, soundwall, pavement and landscaping	$45,799	5-90
			TOTAL 1989-90 F.Y.	$105,223	

SUMMARY

F.Y.		No. of Projects	Est. Construction Cost ($1000)
Adv. Proj.		4	$ 5,981
1982-83		9	34,126
1983-84		14	42,207
1984-85		13	121,261
1985-86		7	117,081
1986-87		14	256,290
1987-88		3	146,203
1988-89		6	74,001
1989-90		8	105,223
	TOTALS	78	$902,353

This schedule is valid on 7-1-83. Changes can be anticipated in generation of future STIP due to revisions in cost estimates, scope of projects and unforeseen problems relative to individual projects.

I-105 CONSTRUCTION SCHEDULE WITH 1983 PSTIP



STATE OF CALIFORNIA
GEORGE DEUKMEJIAN, Governor
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
CENTURY FREEWAY HOUSING PROGRAM
111 NORTH LA BREA AVENUE SUITE 500
INGLEWOOD, CALIFORNIA 90301
[illegible]3301

Century Freeway Replenishment

Housing Program

Status Report July 5, 1983

This report has been prepared to provide an overview of significant programmatic and organizational efforts of the Century Freeway Housing Replenishment Program. The subject areas to be covered are:

1. Development Progress;
2. Financial Status; and
3. Staffing.

The information assembled reflects data collected by Century Freeway/ HCD staff from sources effective July 1, 1983.

Development Progress

The Development portion of the project is authorized under three program strands as follows: 1) The 110 M element; 2) the 1025 element; and 3) the 1175 element. Units are authorized under one of the above elements and bid documents or request for proposal documents are prepared under this scenario, and when award is made they are considered "under construction." Finally, units that are completed are turned over to the disposition unit for sale and/or occupancy.

To date the project has completed forty (40) units. They have all been occupied. Of the forty units, eight (8) are rental units that are managed by Caltrans pending approval of disposition procedures by FHWA under the Rental Policy. Of the remaining 32 ownership units, 11 escrows have been closed. The balance of the open escrows are scheduled to close by September 30, 1983. At this time there are 156 units under construction of a 553* unit total commitment for approximately 18 contracts involving $35 M of the $110 M fund. An additional 60 units have been completed or are under construction from the "1025 Program" of a 133 unit commitment. Total program has 176 units in construction, 40 units completed, 1300 in various modes of planning and 2,184 units remain to be planned.

A land inventory and property needs analysis project is presently under way and will be completed by Fall, 1983. This analysis will provide the essential matching of property inventory and displacee needs.

* Includes 150 units set aside for Los Angeles County CDC participation

A draft of Sections I, II, III and V of the rental RFP will be ready by Friday, July 8. These components are: The cover letter to potential proposers, special provisions governing affirmative action requirements, and instructions to proposers and general requirements. Staff is in the process of revising and producing the developer, project information, and proposal forms which comprise Section IV of the RFP. These will be ready by July 12, 1983.

Financial Status

The Century Freeway Housing Program has both state operations (support) and capital outlay budgets. Both budgets are funded in the same manner, namely, reimbursement from two sources: 92% federal transportation funds, and 8% state transportation funds. Both budgets are also allocated between the three program strands established per the final amended consent decree: The $110 M Program, the 1025 Program, and the 1175 Program.

Overall production plans involve a seven year construction schedule with at least 3700 units, costing approximately $300 million, to be completed or awarded by 1989.

During state fiscal year 1982-83, the Century Housing Program awarded approximately $14 million in contracts for rehabilitation or construction of some 176 housing units. Specifically, these contracts are awarded under the three program strands as follows:

		units
110 million	13,545,000	156
1175	-0-	-0-
1025	283,443	20
TOTAL	13,828,443	176

We anticipate additional awards of approximately $57 million for 752 units in fiscal year 1983-84.

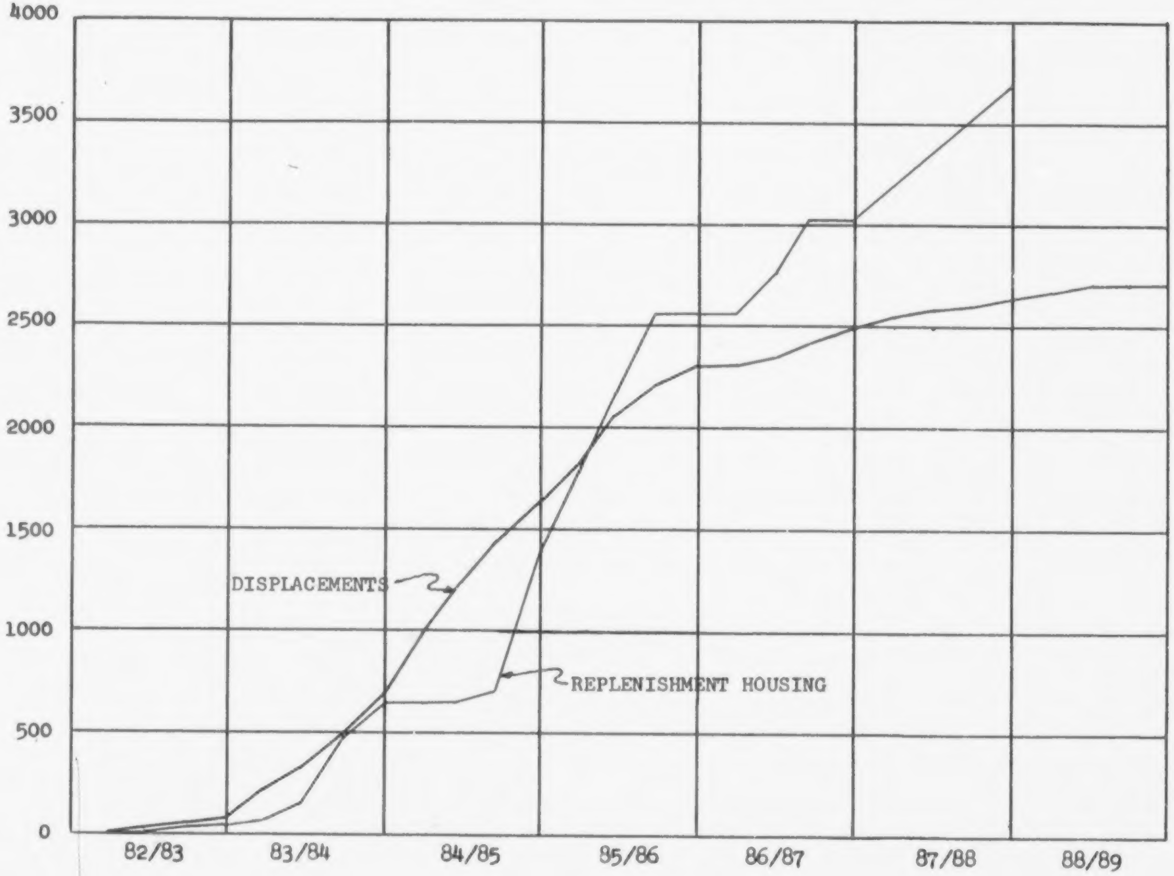
Operating at 75% staffing during fiscal year 1982-83, Century Housing had budgeted administrative and salary expenses totalling $2.6 million. In the 1983-84 fiscal year, at full staffing, it is anticipated that costs will range to $4 million.

Staffing

The Century Freeway Housing Program has been authorized 74 positions. Of this authorization 56 positions are now filled (approximately 75% of authorization). Once the freeze established by the Governor's Executive Order is lifted, it is anticipated that the Program will recruit and hire to full staff capacity.

We are in need to hire several positions through the exemption process immediately to keep operations and progress flowing during this critical period. Presently, program needs are being satisfied through interagency agreements or temporary assignments that sunset this summer. We are at a crucial point and need exemption to hire in some important positions in order to fulfill the contracts for new construction for the ownership RFP that are now in process.

DISPLACEMENT/REPLENISHMENT HOUSING



7/21/83

HIGHWAY/TRANSITWAY

SUMMARY

I. PROJECT DESCRIPTION

The I-105 Freeway/Transitway Project (Century Freeway) extends 17.3 miles from the Los Angeles International Airport east to a point east of I-605 (San Gabriel Freeway). The project intersects four major north-south freeways and provides for future transit development in the corridor.

II. PROGRESS

A. Right of Way Acquisition	80%
B. Design Completed	30%
C. Construction Underway	1%

III. CONSTRUCTION SCHEDULE

		ACCUM. %
1982-83 (Federal Fiscal Year through 9/30/83)	$ 43,000,000	5%
1983-84 (Federal Fiscal Year through 9/30/84)	50,700,000	10%
1984-85 (Federal Fiscal Year through 9/30/85)	119,200,000	22%
1985-86 (Federal Fiscal Year through 9/30/86)	141,200,000	37%
1986-87 (Federal Fiscal Year through 9/30/87)	275,000,000	67%

IV. CURRENT PROBLEM AREAS

A. Police Security Contracts

On July 1, 1983, the California State Police will assume responsibility for Century Freeway security in accordance with an executed contract. The 1983-84 State Budget includes language requiring CALTRANS to negotiate a security agreement with any corridor city which requests it. CALTRANS is preparing to follow legislative direction and will modify the State Police Contract as required.

B. Relocations and Evictions

A total of 3,000 family units and individuals remain to be relocated. Of these, 600 have no Relocation Assistance Program eligibility. During 1983-84, 300 non-eligible family units must be relocated. A plan has been proposed by the Division of Right of Way for the difficult relocations and has been submitted to corridor legislators. Initial reactions have been favorable.

V. RECENT ACTIONS

A. Century Freeway Civil Rights Branch staff has been increased and training accelerated.

B. Project Development staff has been increased to meet schedule requirements.

C. Four meetings have been held with the Center for Law since April to address their concerns regarding Consent Decree requirements.

D. On April 18, 1983, CALTRANS appeared, along with other Century Freeway participants, before Federal Judge Harry Pregerson to report on Century Freeway progress and problems.

7/21/83

CENTURY FREEWAY HOUSING REPLENISHMENT PROGRAM

DEVELOPMENT STATUS REPORT SUMMARY

The Century Freeway Housing Program is designed to produce a minimum of 3,700 housing units as partial replacement of homes removed to make way for the I-105 Freeway. The development of these housing units is organized in three components with status shown as follows:

	$110 MILLION FUND COMPONENT	1,025 COMPONENT	1,175 COMPONENT
Units Completed	0	40	0
Units Under Construction	156	20	0
Units Committed	427	73	800
Units to be Planned	917	892	375
TOTAL	1,500	1,025	1,175

A TOTAL program status summary is as follows:

Units Completed - - - - - - - - - - - - - - - - - 40

Rental Units Managed by CALTRANS - - - - - - 8

Escrows Closed - - - - - - 11

Escrows to Close by 9/30/83 - - - - - - 21

40

Units Under Construction - - - - - - - - - - - - 176

Units Committed - - - - - - - - - - - - - - - - - 1,300

(950 in Planning)
(350 Under Negotiation for Contract)

$110 Million Fund (Includes 150 Units set aside for Los Angeles County CDC Participation) - - - - - - 427

1,025 Component - - - - - - - 73

1,175 Component (Rental RFP now in Process) - - - - - - 800

1,300

Units to be Planned 2,184

TOTAL 3,700

7/83

COMPARISON OF 1981 AND 1983

FEDERAL INTERSTATE ESTIMATE

COST ($1000)	1981	1983	DIFFERENCE
Preliminary Engineering	72,461	33,290	-39,171
Right of Way Acquisition	284,531	292,881	+ 8,350
Relocation Payments and Service	142,045	317,401	+175,356 *
Utility Adjustments	14,407	16,106	+ 1,699
Construction	1,098,941	907,297	-191,644 **
	1,612,385	1,566,975	-45,405

* Change due to new alignment and inflation.

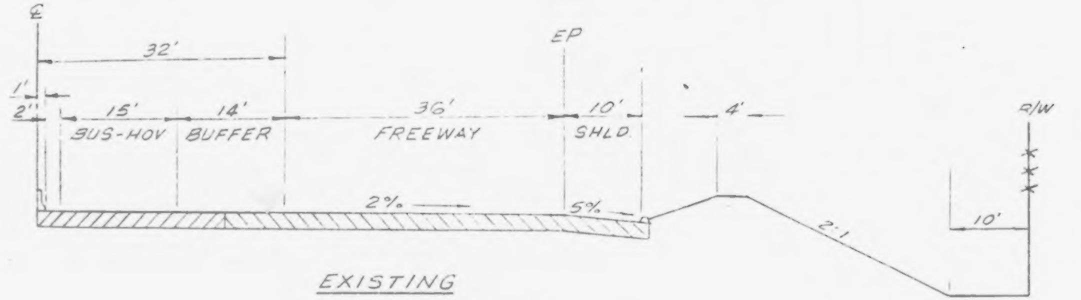
** Net reduction including increase from inflation and decrease from downscoping eight to six lanes.

EIGHT LANE
VS
SIX LANE CONSTRUCTION

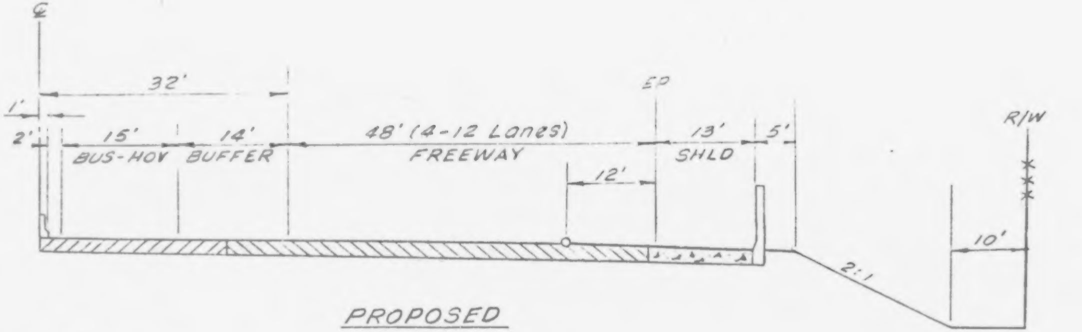
Prior to 1981, the basic design criteria for the Century Freeway was an eight lane freeway with a transitway. In 1981, the Consent Decree was amended to redefine the project as a six lane freeway with a transitway. In includes ten local interchanges and a limit of ten transit stations. This is the present design criteria we are developing.

The basic reason to downscope the freeway from eight to six lanes was a desire by FHWA to reduce the cost of the project. This was part of a National effort to reduce the cost of completing the Interstate System. In our design, however, we have attempted to accommodate future widening to eight lanes should that prove desirable. Abutments for all structures except those in freeway-to-freeway interchanges are set back as well as are all sign structures to allow additional lanes. We could also provide additional lanes in the freeway-to-freeway interchanges with some compromise on shoulder standards.

MAJOR RECONSTRUCTION FOR BUS-HOV FREEWAY IN FILL


℄
32'
EP
1'
2'
15'
BUS-HOV
14'
BUFFER
36'
FREEWAY
10'
SHLD
4'
R/W
2%
5%
2:1
10'

EXISTING
6-LANE FREEWAY


℄
32'
EP
1'
2'
15'
BUS-HOV
14'
BUFFER
48' (4-12 Lanes)
FREEWAY
12'
13'
SHLD
5'
R/W
2:1
10'

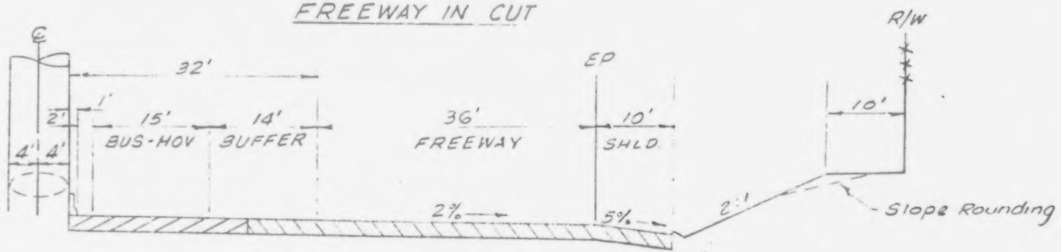
PROPOSED
8-LANE FREEWAY

▨ PCC
▧ AC
▦ Widening

Scale: 1" = 15'
7/83

MAJOR RECONSTRUCTION FOR BUS-HOV

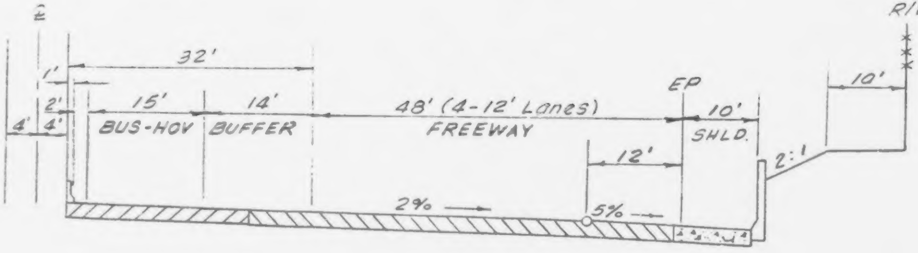
FREEWAY IN CUT



℄
R/W
32'
EP
1'
2'
15'
BUS-HOV
14'
BUFFER
36'
FREEWAY
10'
SHLD.
10'
4'
4'
2%
5%
2:1
Slope Rounding

EXISTING

6-LANE FREEWAY



℄
R/W
32'
1'
2'
15'
BUS-HOV
14'
BUFFER
48' (4-12' Lanes)
FREEWAY
EP
10'
SHLD.
10'
4'
4'
12'
2:1
2%
5%

▨ PCC
▧ AC
▦ Widening

PROPOSED

8-LANE FREEWAY

Scale: 1" = 15'
7/83

Mr. **Anderson**. Please proceed.

TESTIMONY OF HEINZ HECKEROTH, DISTRICT DIRECTOR, CALTRANS, ACCOMPANIED BY JERRY BAXTER, DEPUTY DISTRICT DIRECTOR, AND JOHN KOZAK, CHIEF OF THE DIVISION OF CENTURY FREEWAY

Mr. **Heckeroth**. Mr. Chairman and Congressman Hawkins, I appreciate the opportunity to present the status report on the Century Freeway. I have with me on my right Jerry Baxter, who is the deputy district director on my staff in Los Angeles, who is in direct charge of the freeway and all its aspects. To my left is John Kozak, who is chief of the division of Century Freeway in Sacramento headquarters and access liaison among the agencies that we deal with in Sacramento, as well as internal coordination with our Sacramento headquarters staff.

You do have before you our hearing statement, and what I would like to do is either paraphrase or summarize it with respect to some of the issues that were raised in previous testimony.

I would direct your attention to page 2 in the middle of the page, where the testimony discusses the scoping of the freeway with respect to six and eight lanes and reiterates the comments made by Bruce Cannon, which says, in effect, that it can accommodate eight lanes, both with minor reconstruction, utilizing the open abutments of bridges going over the freeway, as well as a potential of restriping and if ever the median section were to be designed as rail, there would be some additional area provided for further lanes, restriping, or additions in lane width.

I direct your attention to the last paragraph of that same page, where we discuss the transitway. Essentially, the transitway is being designed as a bus/HOV facility for convertibility to rail at this time. The Los Angeles County Transportation Commission 3 years ago was successful in raising half-cent sales tax for the purpose of constructing rail transit in the region, 160-mile system. The Century Freeway is one element of that. The consent decree requirements of the Century Freeway also provide for a direct connection between the Century Freeway transitway and the north/south Harbor Freeway or Interstate 110, which would connect downtown with the San Pedro area, the harbor area.

That is shown on the map, that black line in the middle of the map, north/south; so, more or less bisecting the Century Freeway in an east/west pattern.

There are in the design and provided by the consent decree direct connections between the transitway in the Century Freeway and the northerly direction of the Harbor Freeway; that is, direct connection from LAX on the west end of the Century Freeway to the Harbor Freeway transitway into downtown L.A. and the direct connection between the Norwalk end and that same reach of the Harbor Freeway north of the 105 directly into Los Angeles.

The point of the testimony, however, is that we have not made a decision whether to initially construct rail or bus/HOV. We have designed it as a bus/HOV facility and with convertibility to rail. The conversion to rail is about $120 million, $150 million range. That money has to come out of local funding. It is not provided by the Federal Highway Administration under the unique features of the consent decree that allows us to use highway money, if you will, to the amount required for HOV/bus-way construction. So, that decision is forthcoming from the L.A. County Transportation Commission, probably in the timeframe by the end of the year. That decision will precede our need to know. As related in the testimony, the need to know is around June of next year, June 1984. There will be no holdup in any construction contracts, no holdup in design. After that period, we are going to have to worry about design if we have not made that decision of rail versus bus/HOV.

We have completed and expect to have approval within the next few months for the Harbor transitway preferred project. That project under interstate funding is entirely funded for interstate only as a bus/HOV facility and it is not supported with any funds out of that source if the decision were to build a rail facility initially on the Harbor Freeway. It doesn't have the features of the 105, the consent decree, as far as funding is concerned.

Therefore, based on a preferred project which tends at this time and is supported both by the L.A. CTC and most recently by a committee of the city of Los Angeles and is expected to have formal approval from the SCRTD, the Southern California Rapid Transit District, as a bus/HOV lane for the Harbor Freeway. We will probably have as a predecision before the June 1984 deadline, a decision to go ahead and build a bus/HOV facility in the Harbor corridor, also convertible to rail, in the future, with either a transfer station at the Century Freeway if we make a rail decision at that juncture or a direct bus/HOV facility roadway system that is compatible with the Harbor and the 105 freeway.

I hope that isn't too confusing. We have two different funding arrangements. We have two different timeframes, because we do have to meet the interstate deadline with respect to a decision on the environmental document for the Harbor Freeway transitway. We have a preferred project at the present time, rubber-tired on the Harbor Freeway and a decision awaiting within the next 6 months to a year whether we have rail or a rubber-tired system on the Century Freeway.

In either event we can make the systems compatible. What I think we lose if we have one mode on the 105 freeway and one mode on the Harbor Freeway with a transfer point and any time that you put people out of a transit vehicle onto steps and back into another transit vehicle, you lose convenience and you lose patronage, because of inconvenience.

So, there will be an interim time, if the two modes operate as different modes, where there will probably be a lower level of patronage, but because of the convertibility aspect we can easily convert the Harbor Freeway in the future to rail.

One of the reasons that we have made the Harbor decision is that at the north end in the downtown area, as you approach downtown, there is no subway system like Market Street in San Francisco that will accommodate the light-rail or intermediate rail facility, a vehicle that might operate on a rail/harbor transitway.

Because of that, there is a great deal of investment that needs to go on downtown before the harbor system itself can be made a convenient rail system in itself. So, I think we are tending toward the right decision with respect to the issue and based on L.A. CTC's, the County Transportation Commission's, evaluation of the 105, we may either have two modes or a single mode with obviously a future pattern, which will be single mode.

There is also in our discussion some of the institutional complexities of the project brought on by the consent decree. As you know, we have a Century Freeway affirmative action committee. We have had a housing advisory committee. We have an office of advocates. We have dealings not only with the Federal Highway Administration, which run the lines of our normal highway project relationship with them, but we also have dealings with our own housing and community development department in the State related to the replenishment housing program and then we have some economic opportunities and job programs as well, and I won't go into those details, but they are outlined not only in the testimony, but also in the supplement, which was given you related to the status of the project.

We internally have introduced two major participants in that reorganization; Jerry Baxter being at the local level, in complete charge of the project, through me at the district level and doing the day-to-day negotiations with the cities, the various agencies that we are concerned with and handling liaison with our right-of-way function as well, and John Kozak in Sacramento doing our headquarters liaison.

We have features called replenishment housing. We have features regarding a need to provide a certain number of housing units before we can award a percentage of the contracts. We have meshed all of those requirements so that they dovetail and our construction schedule as depicted as part of the information will dovetail with the housing program.

We do list one concern related to early housing requirements for some of our displacees and we have a program underway, which will either be State funded, or partially federally funded, which makes available replenishment housing or replacement housing until such time as appropriate types of units are available from the replenishment housing program.

Our progress on the project is on page 6, we have currently 14 plans that are on the shelf. We have completed 30 percent of the design. We have increased our design staff to accomplish the new construction schedule, which has been revised since we last testified. We have had a major effort in clearing the properties on the right-of-way that have been boarded, that have been vacant. You heard that as part of the testimony of the cities.

On the bottom of page 6 the security issue is related, too. We have had a difference of opinion among the cities and the State as to the level of need for security and we have had a difference of opinion between the Federal Government and ourselves as to the amount of Federal funds available for that security.

I think we have hit a middle line. What we have said is that we will accept the half million dollars, which Bruce Cannon has identified as what he feels from the Federal standpoint is adequate to meet the security needs for this fiscal year and we will supplement those funds with State funds for whatever is needed to bring the security contracts with the local agencies in line with their expectations.

So, I think we have a dual system operating. We have State police providing that security now in the interim when we do not have contracts which we are currently negotiating with the cities. We will supply the additional funds from State sources to provide the security expectations of the cities, but when we renegotiate in the subsequent year, with the number of contracts that we will have underway and with the change in the way the area will look—the reference has been made to parklike setting. That is cleared right-of-way. We will continue to be reducing the housing inventory on the right-of-way and we will be continuing to reduce the area over which we will have control and will have relinquished to the contractors, who will have been awarded bids in the meantime. With that change then, we will come up with some means of satisfying the cities in the following fiscal year with respect to security.

We have on page 8 identified the numbers of projects and the construction cost estimates, based on the new schedule, by fiscal year. We feel we can accomplish these with staff with the process that we have underway. We can meet the goals required of us for affirmative action, the employment goals. We will be calling on some discretionary interstate funding if our normal apportionments in interstate will not meet our requirements to obligate these as awarded construction contracts.

We applaud you, Congressman Anderson and the work of Congress related to the Surface Transportation Act of 1982. It has made possible this accelerated schedule. You have helped the State in increasing its overall capital outlay program by $2 billion, mainly as a result of the 85-percent floor in the apportionments coming to the State.

Certainly we will continue to actively pursue the obligation of Federal funds. There is a concern, I am sure, within the State because of our own requirements of allocating funds concerning the massive effect that the Century Freeway $1½ billion have on the north/south split within our State and the county minimum issue within our State. That is alluded to and is being addressed by the department and the commission.

We do feel that we have provided an upbeat testimony and an upbeat project progress to report at this hearing and we will gladly answer any of your questions or supply you with information later as to those.

Mr. ANDERSON. Thank you, Heinz. I will ask a few of my questions and then I will let Gus ask a few and then I will ask a few more, because I have a bunch of them.

Could you first describe the organization which Caltrans uses for the Century Freeway project? I suppose by that I am thinking of your internal structure.

Mr. HECKEROTH. I think I related some of the coordinating committees. The coordinating committees, if I can turn to them and not lose context—the coordinating committees are referred to on page 3. We have an internal task force that comprises all the agencies that are involved in the project that meets each month and then we have a steering committee that is involved in representatives of Caltrans, FHWA and HCD, the principal housing agency that meets every 2 weeks to resolve the nitty-gritty problems.

We have met continuously with the Caucus Cities. They have either met monthly or every other month. We have liaison with the Century Freeway Affirmative Action Committee and we are maintaining that liaison regularly in the bidding process and the certification of minority business enterprises, as well as women business enterprises.

It is that kind of matrix, if you will, of organization, which John supports in Sacramento and which Jerry supports at the local level that is making this project happen.

Mr. ANDERSON. Now, we warned you we were going to ask for an organizational chart for the record. Do you have an organizational chart?

Mr. HECKEROTH. Yes, it is part of the status report that is before you and I think it is the pink sheet item. If the numbers of boxes don't throw you, there is some organization to it. It is right after the pink sheet.

Mr. ANDERSON. I just wanted to make sure we had it for the record. I am not going to read it all.

Mr. HAWKINS. It is more confusing with it, than if you didn't have it.

Mr. HECKEROTH. I think the highlights of that in the middle is the transit highway and then the organizations supporting that, the housing program is depicted on the left-hand side of the chart and economic development and employment action on the right-hand side of the chart and how they fit together is represented by the dashes or solid lines.

It is complicated; yet, each one of the issues when it gets down to it is going to be handled on a face-to-face basis and addressed. So, we think we have the organization together to get as complicated a project as this out.

Mr. ANDERSON. Now, that No. 1 up there, Congressional Oversight Committee, is that us?

Mr. HECKEROTH. That is you.

Mr. ANDERSON. Federal Interagency for the Century Freeway, now, what is that?

Mr. HECKEROTH. I don't know for sure what the participants of it are, but I am sure Bruce and Rudy can give you the makeup of that. They are listed as subscript 2, Department of Transportation, Commerce, Housing, Urban Development, Interior, Small Business Administration, and Labor.

Mr. ANDERSON. Now, which was the group you said was meeting every 2 weeks? That had FHWA with you and——

Mr. HECKEROTH. With HCD and that is the steering committee.

Mr. ANDERSON. Then the one that met once a month, what was that again?

Mr. HECKEROTH. That is the coordination committee. Task force, we call it.

Mr. ANDERSON. That was with the corridor cities, too, wasn't it?

Mr. HECKEROTH. No. That represents the public agencies that are directly participating in producing products, whether it is housing products, whether it is employment products, whether it is development products; and they, in turn, deal with the local agencies as needed.

Mr. ANDERSON. Now, have you sought additional staff for the project which you have been unable to obtain?

Mr. HECKEROTH. Yes.

Mr. ANDERSON. Tell us about that.

Mr. HECKEROTH. We have beefed up not only organizationally but we have added additional staff in our Sacramento office, developed further liaison support through John Kozak in Sacramento and HCD, who will be testifying later, will also indicate that they are not only staffed in a directional way, as director, executive director, but also are beefing up their staff to support their work.

Mr. ANDERSON. I believe at one time we were concerned when you had a shortage of engineers for the project, but I am told now that you have added a number of engineers to be able to keep the project on line. You have hired 35 or so?

Mr. HECKEROTH. I met with our new junior civil engineers, our entry grade, 120 in our district.

Mr. ANDERSON. 120. Now, how many additional engineers have you put on pretty much because of this freeway?

Mr. HECKEROTH. We have increased our staff 20 percent and I imagine that is about 20 to 30 people for this particular project.

Mr. ANDERSON. That is engineer types?

Mr. HECKEROTH. Engineer types.

Mr. ANDERSON. Have you had to use staff on temporary detail from other parts of Caltrans?

Mr. HECKEROTH. We have supported this project in that way when needed. We have certainly, as was indicated by Bruce Cannon's testimony, beefed up our support internally of the civil rights function and one of the ways that we were able to provide that support was to beg, borrow, and steal, if you will, among various units to immediately mobilize that effort.

Mr. ANDERSON. Has the project been delayed because of personnel turnover?

Mr. HECKEROTH. No.

Mr. ANDERSON. Have you concluded final Freeway agreements with the local cities?

Mr. HECKEROTH. Not all of them. We have symbol Freeway agreements with all the cities and we are going through the second round now of the final Freeway agreements, if you will. Jerry, I don't know. Do you have a rundown of numbers of cities?

Mr. KOZAK. We have four remaining in the entire corridor that we are working on the final agreements.

Mr. ANDERSON. Which would they be?

Mr. KOZAK. We expect those to be completed by probably September.

Mr. ANDERSON. Which are the four?

Mr. KOZAK. City of Los Angeles, I believe, Lynwood, Southgate, I believe, and Downey. I can check that. Actually, they are all pretty close and we expect all of them to be completed by September.

Mr. ANDERSON. What problems were encountered in negotiating those agreements?

Mr. HECKEROTH. The principal problems were in two areas and one has been satisfactorily handled and that is a concern in the

Hollydale district of Southgate and the Paramount area; ramp arrangements around Paramount Boulevard and Garfield Avenue and we have worked those details out. John Bjork, I believe, was the one that related to Alameda Street. That continues to be an issue, service to Alameda Street. We are constrained by the consent decree to place an interchange in the vicinity of Wilmington Avenue and have developed a design which equally serves Alameda Street, albeit not directly, because that is not provided by the consent decree, but by a street pattern which we will build to the adjoining ramp system.

Mr. **Anderson**. I know John Bjork mentioned the on and off ramps at Alameda in Lynwood. That is one that you are negotiating with them on now. Is that right?

Mr. **Heckeroth**. Yes, I think that to the degree that the consent decree constrains us and to the degree that we can relate to the demand from Alameda Street for access to the Freeway, I think we have fashioned a design that will equally handle the access to Wilmington, as well as Alameda.

Mr. **Kozak**. In the design, although we are limited, we cannot put an interchange at Alameda per the consent decree. It identifies where those will be.

Mr. **Anderson**. And the consent decree wouldn't let you put one there?

Mr. **Kozak**. No. The consent decree actually identifies the locations for all the interchanges.

Mr. **Anderson**. And you can't do any more than they say?

Mr. **Kozak**. Unless we go back and open up the consent decree, no. What we have done, Mr. Chairman, is we have designed that interchange near Alameda, as best we can, to handle that traffic and still provided the potential downstream if we ever wanted to add an interchange at Alameda. It could be done. So, we are trying to build in that flexibility into the design.

Mr. **Anderson**. Similar to what we were talking about earlier, so we wouldn't have to tear down any ramps or anything in order to make it comply?

Mr. **Kozak**. That is correct. It could be added.

Mr. **Hawkins**. Does that include the Harbor Freeway, as well? I don't see any indication of any interchange at the Harbor Freeway.

Mr. **Heckeroth**. The design is shown on an index map. It is after the green and the map on the top is the west end and the map on the bottom is the east end. It is about the third section into the booklet, after the green page.

Each one of the four freeways that we cross, the existing freeways, the Harbor, the Long Beach, the 605 and the 405 on the west end have extensive freeway-to-freeway interchanges. That is local interchanges as opposed to freeway system interchanges.

Mr. **Anderson**. Those also indicate station locations. I understand the interchange at Harbor does not have a station because it is too complicated to have a station there.

Mr. **Heckeroth**. That is correct.

Mr. **Anderson**. So, the stations will be roughly half a mile each way, I believe.

Mr. **Heckeroth**. Yes, and at Manchester on the Harbor Freeway, which is part of the design for the transitway on the Harbor Freeway, which is not shown on the map.

What happens then is if someone is on a trip from downtown L.A. southbound on the Harbor transitway and going to LAX, his first station is Vermont on the 105 Freeway. That first bullet there on the west side of the Harbor Freeway is at Vermont Avenue. So, you come through the transitway interchange between the Harbor Freeway and the Century Freeway and you stop at Vermont or if you were on the East/West Freeway, you would go through the Harbor Freeway interchange and stop at Vermont.

Mr. **Anderson**. So, we understand a little better and I think it was explained to me once already, the one that is a full circle is one kind of a station. The one that is half filled in—tell the difference between those, would you. The one at Vermont has only the half station.

Mr. **Kozak**. These orange dots are local interchanges and where we have split it means that we have a half an interchange here at Paramount and we have an interchange at Garfield, instead of having four ramps complete, like a diamond interchange at one street. We split the interchange between these two streets. That is all the orange dots. These are local interchanges. The black circles are the transit stations. In this case the transit station and the local interchange is the same. This is the Route 7. This is the transit station. We have one designed as a vertical transfer between Route 7, Long Beach Freeway and the 105 Freeway. There is no local interchange. That is a transit station within the interchange itself.

Here on Long Beach Boulevard and Wilmington we have local interchanges, again, with the transit station as a part of that local interchange.

Mr. **Anderson**. Now, when you get to the Harbor then, a little farther west there, you don't have anything there.

Mr. **Kozak**. No, because we have in the Harbor Freeway, as Heinz mentioned, an ultimate design that we planned for the Harbor Freeway interchange would be direct connections between—in the transitway between the Harbor Freeway and the Route 105 Freeway, both here in the northwest corridor and in the northeast. So, we really didn't plan for vertical transfer between two different guideways in that interchange because we felt in the design that it would be more practical to have direct connections. That freeway is designed to have those built at a later date, when and if we ever have a guideway on the harbor.

Mr. **Anderson**. The stations then would be—the first one there is just a black circle east of it——

Mr. **Heckeroth**. That is Main, isn't it?

Mr. **Anderson**. Is that Main?

Mr. **Kozak**. Avalon.

Mr. **Anderson**. Avalon? That would be just a station there.

Mr. **Kozak**. Just a station.

Mr. **Anderson**. Just west of it, I guess, Vermont has a station and——

Mr. **Heckeroth**. The other way, Jerry.

Mr. **Anderson**. West of——

Mr. **Kozak**. Oh, here. Vermont.

Mr. **Anderson**. That is what?

Mr. **Kozak**. A station and an interchange. Here is Alameda right here and see, the interchange is—we have one at Wilmington and one at Long Beach Boulevard.

Mr. **Anderson**. A station and an interchange?

Mr. **Kozak**. A station and an interchange.

Mr. **Hawkins**. You don't rule out a station at the Harbor Freeway in the future, do you? Or is it that you just don't have it planned at this time.

Mr. **Kozak**. That is correct. If the two facilities were different modes, we would have to have a station to serve both directions.

Mr. **Hawkins**. May I, again, interrupt to express my appreciation of this opportunity to sit in with you. I have been very impressed with the testimony we have received. I think it shows a splendid spirit of cooperation.

Mr. **Anderson**. Following Caltrans we will then go back and pick up the California Transportation Commission, and they will have, again, much to add and then we will get to the LACTC and the Century Freeway Affirmative Action Committee. We will be here for a little while this afternoon.

Mr. **Hawkins**. Don't take too much away from me now.

Mr. **Anderson**. You can do anything you want, Gus.

Mr. **Hawkins**. Thank you.

Mr. **Anderson**. We will probably try to complete this group here, maybe get a quick bite to eat and then come back and finish the others.

Mr. **Heckeroth**. Mr. Chairman, Judith Hopkinson of the California Transportation Commission is here. I will be glad to relinquish my chair to her for this and then answer your questions later.

Mr. **Anderson**. If it wouldn't inconvenience you——

Mr. **Heckeroth**. No.

Mr. **Anderson**. All right. Then why don't we stop, because I still have many questions in mind for you.

At this time we will go back and pick up Judith Hopkinson, the vice chairman of the California Transportation Commission. We will hear from her and then recess for a short lunch; come back and pick up the balance of the schedule. So, if any of you have any problems, it gives you an idea of what my intentions are.

Your statement will be made a matter of the record, Ms. Hopkinson.

[Statement referred to follows:]

REMARKS OF JUDITH L. HOPKINSON, CALIFORNIA TRANSPORTATION COMMISSION

Good morning, I am Judith Hopkinson, Vice Chairman of the California Transportation Commission. On behalf of Chairman Claude Fernandez and the other members of the Commission, I want to thank you for your invitation to briefly discuss the Century Freeway Program. The Century Freeway Program is without equal in the history of California's freeways. This 17.3-mile long project, including six vehicular lanes, a future transit way, and a replenishment housing program for approximately 3,700 units will require more than $2 billion in Federal and State funds before its completion at the end of this decade.

I am pleased to be able to report to you that this program is well underway. In the 1982-83 fiscal year just ended, the California Transportation Commission programmed $54.2 million in right-of-way acquisition and construction, and another $61.8 million for the replenishment housing program. To date, approximately 80 percent of the right-of-way has been acquired. Detailed design has been completed for one-third of the project, and construction has begun.

The Transportation Commission has just adopted its 1983 five-year State Transportation Improvement Program (STIP). Under California law, the Commission adopts a five-year program each year, selecting projects for funding and design. The Century Freeway is the dominant element in the 1983 STIP and will continue to dominate the capital outlay program in Los Angeles County, Southern California, and the entire State for the next several five-year programs. The five year 1983 program totals $12 billion, of which $1.9 billion is the Interstate program. Of this, $1.4 billion is programmed for the Century Freeway, including $1.13 billion for right-of-way acquisition and construction and $285 million for the replenishment housing program.

CENTURY FREEWAY FUNDING—1983 STATE TRANSPORTATION IMPROVEMENT PROGRAM

[In millions of dollars escalated]

	1983/84	1984/85	1985/86	1986/87	1987/88	5-year total
Right of way and construction	$101	$203	$227	$392	$212	$1,135
Replenishment housing	130	75	80			285
Total	231	278	307	392	212	1,420

This total, combined with the $116 million programmed last year, exceeds one and one-half billion dollars. The balance of funding is expected to be programmed for the years beyond our current five-year program.

Obviously, the Century Freeway has had a significant impact on California's statewide transportation program. For example:

The $1.4 billion contained in the 1983 Program for this one single program represents nearly 25 precent of California's entire highway capital outlay program over the next five years;

California's State law requires spending 60 percent of all highway funds in the southern 13 counties and 40 percent in the northern 45 counties. The $1.4 billion in expenditures for the Century Freeway in the 1983 program, together with the matching $950 million in the north, significantly results in a very limited amount of funds available for highway projects other than the Century Freeway in the south.

Again, under State law, each county is entitled to a percentage share of funds for capital expenditures, based on a formula. Los Angeles County's minimum share is $988 million over the next five years. Because of the $1.4 billion required for the Century Freeway, Los Angeles County is receiving $1.76 billion—nearly $800 million more than its minimum share. Since many other counties have not received their minimum share, Los Angeles County is not eligible for funds for additional projects, regardless of their importance.

Clearly, the Century Freeway Program is a principal determinate of California's statewide transportation program. Because of the important magnitude and complexities of the Century Freeway, Guideway and Housing Program, the California Transportation Commission has given its progress and completion particular attention.

The Commission has recently formed a Century Freeway Subcommittee which I chair. We are working closely with California's Business, Transportation and Housing Agency, the Department of Transportation and the Department of Housing and Community Development. We are advising the California Legislature's transportation committees and its newly appointed select oversight committee on the Century Freeway of the program's progress. Our concern is for timely, responsible, and efficient implementation of all elements of the Century Program as designed by the court's consent decree.

I cannot complete my remarks without expressing our appreciation to this committee and in particular to Congressman Anderson, for your efforts in securing additional highway and public transportation financing. Without the recent five-cent increase in the Federal gas tax, (the first in nearly a quarter of a century) the Century Program, including its Highway, Guideway, and Housing elements, and other federally funded projects planned in California would not be completed. The new provision for a minimum return to each state of 85 percent of the funds paid into the Federal Highway Trust Fund will result not just in continued progress in the Century Freeway, but significant increases in our non-Interstate program as well.

During deliberations of the 1982 Federal Surface Transportation Assistance Act, our staff was available as a technical resource to your committee. Throughout the progress of the Century Program, our staff remains available to you for any information or assistance you may require.

Again, thank you for the opportunity to appear before you today.

Mr. ANDERSON. Please proceed.

TESTIMONY OF JUDITH HOPKINSON, VICE CHAIRMAN, CALIFORNIA TRANSPORTATION COMMISSION

Ms. HOPKINSON. I am Judith Hopkinson, vice chairman of the California Transportation Commission. On behalf of Chairman Claude Fernandez and other members of the commission, I thank you for your invitation and will just spend a few moments discussing our role and the status of the Century Freeway program.

The 17.3-mile project, including approximately 3,700 units of housing, will require more than $2 billion in Federal and State funds before its completion.

In the 1982–83 fiscal year just ended, the commission programed $54.2 million in right-of-way acquisition and construction and another $61.8 million for the replenishment housing program.

To date, approximately 80 percent of the right-of-way has been acquired. Detailed design has been completed and construction has begun.

The California Transportation Commission has just adopted its 1983 5-year State transportation improvement program. Under California law, we adopt a 5-year program each year, selecting projects for funding and design. The Century Freeway program is the dominant element in that 1983 program and will continue to dominate the capital outlay program in Los Angeles County, southern California, and the entire State for the next several 5-year programs.

The 5-year 1983 program totals $12.1 billion, of which $1.9 billion is the interstate program. That is for the total 5-year program. Of this, $1.4 billion is programed for the Century Freeway.

This total, combined with the $116 million that we programed last year, exceeds $1½ billion. The balance of the money is expected to be programed for years beyond our 5-year 1983 program.

Obviously, the Century Freeway has had a significant impact on our statewide transportation program. To give you an example of that impact, the $1.4 billion contained in the 1983 program for the Century Freeway represents nearly 25 percent of California's entire highway capital outlay program for the next 5 years.

Heinz mentioned earlier the State law requirements for the spending of our highway program funds in different locations. California State law requires 60 percent of all the highway funds to be spent in 13 southern California counties and 40 percent in the northern 45 counties. The $1.4 billion in the expenditures for the Century Freeway in the 1983 program, together with the $950 million in the north, results in a very limited amount of money being available for other highway projects, other than the Century Freeway in the south.

Again, under State law, each county is entitled to a percentage share of funds for capital expenditures based on a formula. Los Angeles County's minimum share under this formula is $988 million for the next 5 years. Because of the $1.4 billion required for the Century Freeway, Los Angeles' share is $1.76 billion, nearly $800 million more than its minimum share. Since many other counties have not received their minimum share, Los Angeles County is not eligible for funds for new highway programs.

Clearly, the Century Freeway program is a principal determinate of California's statewide transportation program. The California Transportation Commission has given its progress and completion particular attention. We recently formed a Century Freeway Subcommittee, which I chair, and we are working closely with other involved agencies, including the Department of Housing and Urban Development, the Transportation Department, and California's Business, Transportation and Housing Agency. We are also advising the California Legislature's transportation committees and its newly appointed oversight committee on the Century Freeway on the program's progress. Our concern is for timely, responsible, and efficient implementation of all of the elements of the consent decree.

I cannot complete my remarks without expressing to the committee and particularly to you, Congressman Anderson, for your efforts regarding the recent 5-cent gasoline sales tax increase. The Century Freeway program and many of our other highway, guideway, and housing programs would not be able to be completed without this increase.

The new provision for a minimum return to each State of 85 percent of the funds paid into the Federal Highway Trust Fund will result not just in continued progress on the Century Freeway, but significant increases in our noninterstate program as well.

During deliberations of the 1982 Federal Surface Transportation Assistance Act, our staff was available to your staff as a technical resource. Throughout the progress of the Century Freeway program, our staff remains available to you for any information or assistance you may require.

Again, thank you for the opportunity to appear here today and I would be happy to answer any questions you might have.

Mr. Anderson. Thank you, Judith, for your participation here today.

Is it your feeling that financial resources are presently in place, Federal and State, to complete the freeway?

Ms. Hopkinson. I believe they are. As I mentioned earlier, the 5-year program does not include all of the money necessary for the Century Freeway program, but it is the commission's intention and stated policy to obligate those funds as appropriate. We do have a $500 million State deficit, which we will have to be grappling with over the next several months and years, and that is a problem we are going to have to confront, but the intention is there and the commitment is there.

Mr. Anderson. Could you reiterate for us the 60/40 split and the county minimum restriction? I know you touched on these and how they might impact on the Century Freeway? Might these State requirements impede the funding for this project? Your explanation sounded like we were just going to squeeze by.

Ms. HOPKINSON. Well, we are not even squeezing by. We are violating some of those formulas and principles. The allocation and formula approach to the county minimum issue is one that we are facing at a statewide level that will have to be addressed legislatively and we do not have the authority at the commission to resolve that issue. We have had discussions with both committees on a continuing basis on that and we believe in the future that some resolution will be forthcoming legislatively at the State level, but it is not something that we can continue to overlook. We had some temporary relief this year on that particular issue, but it is very temporary and under State law we have to comply with both the 60/40 and the county minimum issue, which we are not currently doing. So, we will have to have legislative relief to deal with that.

Mr. ANDERSON. Could you outline the STIP process for the subcommittee and let us know where the Century stands in the STIP program.

Ms. HOPKINSON. The STIP process is a fairly involved one. It really starts locally with each regional agency. In the case of Los Angeles, the L.A. County Transporation Commission each year adopts a program that is submitted to the State, and the department of transportation and the commission both analyze that program. The department and the Governor's office then submit to the commission their recommended program, their recommended 5-year program. We then evaluate that program and adopt a program, which usually takes elements of the administration's proposal and the local proposal and adopt that.

We then go through a process of appeals, which we are doing at the end of this month, that various jurisdictions appeal certain decisions as does the department and some of those we incorporate into the program and some we don't. As the year goes on, a variety of changes occur in the 5-year program that are brought to the commission by the department primarily.

The Century Freeway has to be a part of that 5-year program and it currently is.

Mr. ANDERSON. Gus, do you have any questions?

Mr. HAWKINS. No.

Mr. ANDERSON. Thank you, Judith.

Ms. HOPKINSON. Thank you very much.

Mr. ANDERSON. Heinz, would you like to complete the questions and then go to lunch?

TESTIMONY OF MR. HECKEROTH—Resumed

Mr. HECKEROTH. Sure.

Mr. ANDERSON. Why don't you come on up and let's do that and then we will go to lunch.

Heinz, have you encountered any problems with the relocation of the railroad line in the corridor and what steps have been taken to resolve those problems.

Mr. HECKEROTH. No, I think we and the railroads are cooperatively working on this project. There is a major railroad relocation in the area between Vermont and Crenshaw, in that area. Obviously, there is an abandonment of a railroad line through the city of Lynwood, because our freeway utilizes the hundred foot old SP right-of-way through there, but we are dealing directly with the railroads and effectively with the railroads.

Mr. **Anderson**. Are there any vacant structures on the right-of-way, which ought to be demolished, but for some reason have not been?

Mr. **Kozak**. Well, there are still structures on the right-of-way. Our schedule calls for removing all of the vacant structures on the right-of-way that aren't going to be for future housing by the end of this year. We have a couple more contracts, but we expect to get those completed by the end of this year.

Mr. **Anderson**. When will the right-of-way acquisition process be complete? Will it be complete by the end of the year?

Mr. **Kozak**. Not the entire corridor. We still have——

Mr. **Anderson**. Not the acquisition, but the demolition and the housing, will that be completed?

Mr. **Kozak**. The acquisition is about 80 percent complete now. We have projects, especially in the westerly end where we had a new alinement through Hawthorne, where we still have significant numbers of parcels to purchase. That will be going on for a few years, but we have a significant amount of property, both acquired and cleared right now, but it will be going on to a lesser degree, the remaining 20 percent, throughout the next 3 or 4 years.

Mr. **Anderson**. The area in Hawthorne, you haven't acquired that from the loop north of Imperial?

Mr. **Kozak**. Yes, and that was a new alinement as a result of the consent decree settlement. So, we hadn't acquired any property on that line when the consent decree again put the project back on track.

Mr. **Anderson**. What are you doing with the property Hawthorne that you acquired in the area that you are not going to be using any more? Have you been releasing that or what?

Mr. **Kozak**. I suppose so. We have a right-of-way——

Mr. **Anderson**. We will get to that.

Mr. **Kozak**. I think some of that land probably is being used for replenishment housing sites, too.

Mr. **Anderson**. What highway construction contracts are now underway?

Mr. **Heckeroth**. The three are listed in the blue sheet. It is probably about the fourth one down and the showing of a complete construction schedule to meet the September 1990 obligation deadline under Federal law. The first three projects listed on the first page are those that are currently under construction.

Mr. **Anderson**. Well, I count four.

Mr. **Heckeroth**. One of them is complete. We have——

Mr. **Anderson**. The first one at the dump, Willco dump.

Mr. **Heckeroth**. Yes, that was the access project. The second is the actual removal of Willco dump material that is currently under construction. The 118th Street Bridge over Compton Creek is the next project listed and it is under construction and we are in the awarding process now of the widening of the southbound 605 freeway.

Then the remaining projects listed under 1982/1983, you will note in the second column, "Advertising Date," indicates that all of those projects will be advertised between now and the end of the calendar year.

Mr. **ANDERSON**. There are nine of them?

Mr. **HECKEROTH**. Right and then go down into the subsequent fiscal year and you pick up two more that have an advertising date in the remaining months of 1983.

Mr. **ANDERSON**. So, those that you will be advertising this year are the El Segundo Boulevard, San Diego Freeway; El Segundo Boulevard and 123d; West Side and Belair. That is to construct and realine to La Cienega Boulevard. And then the next was on the San Diego Freeway, Lennox Boulevard to Century Boulevard in Lennox, construct retaining wall, cul-de-sac and extend pedestrian undercrossing.

Then the next one is on Budlong Avenue in southwest Los Angeles. That is to construct the Budlong Avenue overcrossing and frontage road. That will be the first project then kind of all by itself, won't it? The others are connected with some other freeway or something.

Mr. **HECKEROTH**. Well, earlier the 118th Street was a separate project unto itself, the third one.

Mr. **ANDERSON**. That was a bridge and approach, OK.

Then the next one is at State Street in Lynwood; construct State Street undercrossing structure. The next would be Vermont at Hoover in Los Angeles; construct Vermont Avenue overcrossing, Hoover Street undercrossing and overcrossing and reconstruct Hoover Street.

At Western Avenue in southwest L.A., construct Western Avenue overcrossing and western detour bridge. Main Street to Central Avenue at three locations in Watts, construct Main Street, San Pedro Street and Stanford Avenue undercrossing structures. On Harbor Freeway in Los Angeles construct eastbound separation structure for haul road and 117th Street overcrossing, reconstruct railroad underpass. At Normandie in southwest L.A., construct Normandie Avenue overcrossing.

Now, that group will all be advertised before the end of the year, at the end of this calendar year?

Mr. **HECKEROTH**. Two more.

Mr. **ANDERSON**. Which two?

Mr. **HECKEROTH**. The first two on the following list.

Mr. **ANDERSON**. That would be the northbound Route 605, Firestone Boulevard to Cecilia in Norwalk to widen the northbound roadway and Cecilia Bridge. On Long Beach Freeway at Compton Boulevard in Paramount, construct bridge and city street. Those will all be advertised?

Mr. **HECKEROTH**. They are planned for advertising.

Mr. **ANDERSON**. Planned for advertising, OK.

Now, when would construction probably start on these? How long does that—I think John Bjork asked a question here and he said he wanted to see where is the steel and cement and I suppose that is what we are kind of looking at. When will the actual construction of some of these start?

Mr. **Heckeroth**. You might add 4 months. We have to go through a bidding process, which will vary with the complexity of the project. Then we have an award process, which includes review of the affirmative action plan of the various bidders and then we have the awarding and getting on the job kind of mobilization by the successful contractor.

Mr. **Anderson**. These first four will have been completed, though, how soon? They are completed for the most part, aren't they?

Mr. **Heckeroth**. The first one is completed. The second one is underway. The construction time is not shown here. They vary. Any guess on the bridge over Compton Creek?

Mr. **Kozak**. That is just started. It is a very small project. It will have to finished before the winter rains.

Mr. **Anderson**. So, it would be 4 or 5 months.

Mr. **Heckeroth**. They each have their own period of construction, depending on the complexity and the detour arrangements that are involved in some of these bridge contracts.

Mr. **Anderson**. And the fourth one, the widening the southbound roadway and Cecilia Bridge and construct soundwall and landscaping in Norwalk, that is advertised?

Mr. **Heckeroth**. That is in the awarding process.

Mr. **Anderson**. When will that probably get going?

Mr. **Heckeroth**. A guess, 2 months, 3 months.

Mr. **Anderson**. I will probably come back to this a little later, but following my question, what highway construction contracts are now underway, has the long range anticipated construction schedule changed in the last 2 years?

Mr. **Heckeroth**. Yes. What you see before you is an opportunistic schedule, if you will. As you described those projects, you will note that we have some work on the east end, west end, and in the middle. So, we are spreading our contracts our over the complete 17-mile length of the freeway doing structures first; then we will use those structures for haul road systems, so that we do not interfere with local traffic and then ultimately pave the freeway. In the meantime, we have up to four staging contracts in the freeway-to-freeway interchange areas.

Mr. **Anderson**. Have you encountered any problems with availability of comparable housing for people whose residences have been purchased for the project?

Mr. **Heckeroth**. Yes. Part of my testimony, and I noted it briefly, is that because the replenishment housing program hasn't produced the number and the mix of housing that is required for our displacees, we are finding it difficult on the marketplace to find affordable housing. So, we have begun an interim program, which will allow us to subsidize housing until the replenishment housing program provides those units.

Mr. **Anderson**. How have the construction contract bids that you have received compared with the engineers' estimates?

Mr. **Heckeroth**. Our bidding experience over the recent year has been very favorable, generally under the engineers' estimates.

Mr. **Anderson**. Have you had any difficulty in accepting bids received?

Mr. HECKEROTH. There was a point in time when we did not have a process whereby we could manage the certification of minority and women business enterprise, where we had to reject bids. But under the circumstances we are in today in this list of projects, we have now a process in place. We are working with the Century Freeway Affirmative Action Committee and have their support and do not have any problems in meeting the goals; not only the goals, but also bona fide minority contractors. But all of that has to be supported with certification process and investigation process to assure that each of the contractors not only has a plan addressing the minority business goals that are provided in the advertising or bid documents, but also has supported that with the appropriately identified and certified minority business people and then we follow up during construction to assure that his use of those firms is carried out. We have that in place, as Bruce Cannon indicated, in a positive way. We will have day-to-day problems. We will sort them out, but I think we have the overall structure in place and the support for decisionmaking in that lengthy process.

Mr. ANDERSON. Just to follow up, what is the status of planning within Caltrans for the initial construction of a light rail facility in the median, rather than a busway? I am not exactly sure in my own mind where we are on this. I know that one of your people just a few weeks back discussed with me the problem of the light rail on the Century and how it will be influenced by what we have on the Harbor Freeway. They said, because of the cost of the land in the northern portion of the Harbor Freeway, or at least the inavailability of land to widen anything, that they would have to construct something, either HOV lanes that would be up high or some type of a rail system and they thought that we might have rails down to and including Century. Then, from Century down to San Pedro we would have a second mode, buses, because we can get land down there. It isn't as congested and we can get it cheaper and can actually add additional lanes of some type.

Now, just where are we on this and how late can we put this decision off—how long can we delay and still go ahead in the building of the Century Freeway before we are actually at that point where we can't go back to one or the other. I know you gave a couple of dates, but I don't think you ever said—I understand we can go several years down the road in construction and still move one way or the other on Century. We may not be able to do that on Harbor and they are pretty much intertwined.

Mr. HECKEROTH. The direct tie between the Harbor and the Century occurs at the freeway-to-freeway interchange and the design of that interchange includes not only a freeway-to-freeway interchange, but also a transitway to transitway interchange, one integrated with the other. So, space is provided for any eventuality, bus or rail, for that kind of interface.

The decision on the Harbor Freeway runs the gauntlet from a subway elevated rail line on Vermont Avenue, which would be away from the Harbor Freeway and would then tie in to that station on Vermont on the 105 or bus/HOV-type facilities on the Harbor or rail-type facilities.

The bus/HOV-type facility on the Harbor would extend from 23d Street near the southern part of downtown near the Auto Club, generally in that area, south of the Convention Center, to just north of the 91 Freeway, where that facility would end as an exclusive lane, and buses and carpools and vanpools would then mix with normal freeway traffic, the Harbor Freeway and then either go south on the Harbor or either way on the San Diego Freeway or on the 91 Freeway.

If a rail line were built or preferred on the Harbor Freeway, then it would have to extend as a separate rail line all the way down to San Pedro. So, the difference in cost was in the magnitude of twice the cost of rail over bus, simply because of the length, the difference in length of construction, but also the types of support facilities that rail require over a bus/HOV. That is the Harbor description.

We, at the present time, are affirming a preferred project, which is the busway alternative for the Harbor, which extends from 23d Street to just north of 91 Freeway and provided a two-way busway.

Mr. ANDERSON. What happens from 23d north?

Mr. HECKEROTH. Twenty-third north, just as the El Monte busway does now, buses and carpools would discharge into either the freeway system or the downtown road system and people then in buses, for instance, would get off the freeway at that point and use city streets for distribution, more frequent stops, allowing people then to get to their destination by a normal road bus system.

Carpools could get back on the freeway or discharge at that point to the downtown street system, if that was their destination.

Mr. ANDERSON. Now, did I understand earlier that they probably would cost $130 to $140 million more for rails?

Mr. HECKEROTH. On the 105 Freeway, if we were to build rail initially, we would have to supplement the highway funds available under the consent decree by about $120 million. If we were to go ahead and build the bus/HOV lane and operate that as a bus/HOV lane and after 1995 or so reconvert that to rail, we would have to, at today's costs—both of these are at today's costs—have a conversion cost of $150 million.

Mr. ANDERSON. Just so that I understand it clearly, under the consent decree, they allow you to use trust fund money on Century for HOV. Is that it? But they would not allow light rail?

Mr. HECKEROTH. No. The cost of the light rail would be supported to the degree it costs to build a bus/HOV.

Mr. ANDERSON. Out of what funds?

Mr. HECKEROTH. Federal highway trust funds and State funds, out of interstate, I-program. That is the uniqueness of the consent decree.

Mr. ANDERSON. Paul, do you understand that fully?

Mr. SCHLESINGER. Yes.

Mr. ANDERSON. The next question relates to park and ride facilities that have been planned. Does it make any difference when you do this planning whether it is an HOV or whether it is rails?

Mr. HECKEROTH. Yes.

Mr. ANDERSON. How much difference in the planning?

Mr. HECKEROTH. The difference really is in the amount of patronage that might be supporting a rail system versus a bus system in the long term. We do have to provide in the initial bus/HOV design a space, if you will, for escalators, but will not build them as part of the bus/HOV installation if, indeed, that is the first initial construction.

The elevators, the staircases, will effectively work for either bus or rail operation. Length of platform may have to be increased, but space is being provided for that, should we develop initial rail.

Mr. ANDERSON. Have these transit proposals been subject to public hearings or meetings or if there have been hearings, what has been the public reaction?

Mr. HECKEROTH. The public reaction has been favorable for a transitway in the Freeway. It has been, up to the current time, described as an either rail or bus. So, we are depending on the public participation program of the Los Angeles County Transportation Commission to make that decision for us in a regional setting. That decision is expected to come out of a current study that the Los Angeles County Transportation Commission has underway by the end of this year.

Mr. ANDERSON. Will they be holding public hearings so that the public can go and express their preferences?

Mr. HECKEROTH. Yes.

Mr. ANDERSON. Has Caltrans encountered any resistance from tenants who will not receive relocation benefits under Federal law or under the consent decree?

Mr. HECKEROTH. I can only answer that superficially. Certainly. There are provisions under the consent decree, which categorizes current tenants either into those that are eligible for benefits and those that are not and it is always difficult to begin to describe to neighbors, if you will, in the same complex that they moved in too late to be eligible for relocation assistance.

What we are extending to those people that are not eligible, however, as I have described to you, the normal relocation assistance benefits or activities, we have gone out of our way under State programs to find replacement housing for them, but we cannot provide them with the benefits that the consent decree provides.

Mr. ANDERSON. What progress has been made on clearance of the right-of-way of vacant structures?

Mr. HECKEROTH. In our program we have appraised 81 percent of the parcels. We have acquired 80 percent and we have cleared 62 percent.

Mr. ANDERSON. What difference has the clearance of the right-of-way made in the amount of police activity needed?

Mr. HECKEROTH. We get conflicting reports from the local police. I think there is a general agreement, though, that a boarded house, vacant house, represents an attractive nuisance in the security area and, therefore, if that property becomes a vacant lot as a result of demolition that the hazard and the safety problem is reduced.

Mr. ANDERSON. What procedure does Caltrans use in certifying or recertifying an MBE subcontractor?

Mr. KOZAK. Well, we have developed a pretty extensive set of guidelines that we use. It not only looks at company ownership. If it is a joint ownership, that becomes a big issue and we look at company records. We look at sometimes bank records. We look at the authority of the principal owner of that company, what decisions that company president makes. It really gets down to the issue of who is in responsible charge of a company. If it has a board of directors, is it really a minority company and you have to get down to who makes the decisions, who has the authority in that company and prove without a doubt that that is 51 percent wholly controlled and owned by a minority member. So, we go through a very long and extensive process to look at that and sometimes it is an easy decision and sometimes it is a very difficult decision, but we have developed an extensive set of guidelines. We have actually patterned it quite a bit out of the Maryland process, which is supposed to—I have been told, is one of the best in the Nation and most conclusive certification programs in the Nation.

We have gotten their information. We have patterned the program a lot after theirs and we have also invited them to come out and assist us in implementation and they will be out here next week.

Mr. **Anderson**. Who is that now?

Mr. **Kozak**. Representatives of Maryland Department of Transportation, who implemented their—I believe it is Department of Transportation—who implemented their certification process for MBE's. It is a very thorough one and good one and we are drawing from their experience.

Mr. **Anderson**. Does the Federal Department of Transportation approve of what you are doing in this area?

Mr. **Kozak**. I think they have now. I think their comfort level over the last 3 months has come up considerably since we have restaffed and developed new guidelines and gone into a very extensive training program in certifications, but I think they can probably speak for themselves.

Mr. **Anderson**. Yes, OK.

What other changes has Caltrans made in this procedure—on MBE? Have you made any changes this past year?

Mr. **Heckeroth**. Yes We have staffed and developed procedures and implementing them on each contract.

Mr. **Anderson**. And who is in charge of this procedure at Caltrans?

Mr. **Heckeroth**. We have reporting to Jerry Baxter at the present time an interim person who does not only developing and administering that at the supervising, transportation, engineer level, Court Burrell.

Mr. **Anderson**. How many businesses has Caltrans refused to certify or recertify over the past year?

Mr. **Kozak**. We have certified 328 contractors and refused certification of 33 and we have 353 that are under active investigation right now that we haven't made a decision on. Sometimes we have to go back several times for additional information on contractors.

Mr. **Anderson**. What steps has Caltrans taken to assure protection of public health and safety in the relocation of materials such as from the Willco dump site and do you have any estimate for completion of dump relocations?

Mr. **Kozak**. In this Willco dump site, Mr. Chairman, we have completely fenced the site. We have posted it. As you probably know, the problem is the discovery of some class I hazardous material in that site. That hazardous material is not extremely toxic. It is primarily lead, copper, and zinc materials, but we have totally fenced the project. We have posted it. We have hired an environmental specialist under contract to Caltrans who is on the site at all times when work is in progress and that environmental specialist advises us on the proper way to handle that material and how toxic it is.

We also have our own van. We have a Caltrans van that is capable of monitoring air quality and we have that van on site to monitor air quality as well, but the cost is pretty significant to have to dispose of that class I material and it has raised the cost of that contract quite a bit.

Mr. **Anderson**. Well, thank you very much for your presentation. I hope that at least one of you can be here this afternoon. We do have four more witnesses.

At this time it is our intention to recess briefly for lunch somewhere around here and I suggested 1:30 p.m. and Paul said 1:45 p.m. is more realistic, so we will recess until 1:45 p.m. and come back and we will then hear our final four witnesses. They will be from housing and community development, the Los Angeles County Transportation Commission, the Century Freeway Affirmative Action Committee and the office of the advocate.

Thank you very much. We will stand recessed until 1:45 p.m.

[Whereupon, at 12:55 p.m., the subcommittee recessed, to reconvene at 1:45 p.m., the same day.]

AFTERNOON SESSION

Mr. **Anderson**. The meeting will come to order.

Our next witness is Michael Houlemard, Jr., the Executive Director of the Century Freeway Replenishment Housing Program of Housing and Community Development.

The full text of your prepared statement will appear in the record at this point.

[Statement referred to follows:]

Good morning Mr. Chairman and members of the Committee. My name is Michael Houlemard, and I am the Executive Director of the Century Freeway Housing Program. I would like to spend a few minutes discussing the Century Freeway Housing Program of the I-105 Project.

The Century Freeway Housing Program (CFHP) is an element of the State Department of Housing and Community Development (HCD). Our office is located here in the Century Freeway corridor (Inglewood), with an authorization for a staff of 74 positions.

The CFHP was created in compliance with provisions of a Federal District Court Consent Decree (Keith vs. Volpe) which gave HCD primary responsibility to develop and implement a housing plan that would counteract the effects of the demolition of homes in the 17.3 mile freeway corridor that stretches from Norwalk to El Segundo. The lawsuit maintained that the thousands of houses being destroyed by the freeway were a valuable community resource that must be replaced. In addition to the requirement of producing housing units to replenish the stock within the corridor, the court settlement included plans for mass transit features, a vigorous affirmative action and employment plan, and an environmental impact study. The final amended consent decree was filed in September of 1981, with the Housing Plan completion and approval occuring in August of 1982. Since the approval of the Housing Plan in August of 1982, the Department of Housing and Community Development efforts have accelerated tremendously as the project shifts its emphasis from planning to program implementation. Prior to having an operational housing plan, staff efforts were focused on developing the most viable and workable methods of producing housing in conformance with the Federal Court Decree. The project is now at a point where planning efforts are being implemented and units are being constructed in the 17.3 mile corridor.

The Century Freeway Housing Program is the largest federally funded housing effort in the United States, with a unique purpose and structure involving local, state, and federal governmental entities, as well as creating a few new organizations. According to the Federal Consent Decree (Keith vs. Volpe) that mandated the Housing Program; the State Department of Housing and Community Development is the lead agency for housing production. However, the State Department of Transportation and the Federal Highway Administration each have important roles throughout the process that must be coordinated. Additionally, the Century Freeway Affirmative Action Committee, the Housing Advisory Committee, and the Office of the Advocate are new organizations created by the Consent Decree to have input to the Century Project.

Chronology of Events

A detailing of progress and program accomplishments can be found in the quarterly progress reports prepared since the inception of the project. A partial listing of accomplishments/other milestones follows:

Oct. 11, 1979	Final Consent Decree issued by the Federal District Court which includes the provision for 4,200 housing units as mitigation for prior right-of-way clearance.
Dec. 19, 1980	Initial Housing Advisory Committee meeting.
Sep. 22, 1981	Amended Final Consent Decree issued. Included in the amended text is the reduction of units from 4,200 to 3,700.
Nov. 27, 1981	Escrow opens and Antonio Garcia family moves into first Century Freeway Housing unit produced.
Mar. 15, 1982	First Request for Proposals (RFP) for new construction.
July 15, 1982	Housing Plan and Environmental Assessment adopted.
Sep. 30, 1982	Federal Highway Administration (FHWA) obligates $34 million within the 1981-82 federal fiscal year for Housing Program.

Nov. 11, 1982	First escrow closes for sale to above-mentioned Antonio Garcia family.
Dec. 20, 1982	First new construction contract awarded for development of fifty (50) townhouse units in the City of Lakewood.
Jan. 20, 1983	Construction started on 50 units in the City of Lakewood under 1st Request For Proposal.
May 2, 1983	Closing for a ninety (90) unit complex in Los Angeles under the 1st Request For Proposal.
July 19, 1983	Closings for 2 projects totalling an additional 84 units under the 1st Request For Proposal. This brings the total number of units under construction under the 1st Request For Proposal to 240.
August 4, 1983	Kirk West, Secretary for the Business, Housing, and Transportation Agency, announces $56 million in housing contracts to be awarded in state fiscal year 1983-84.

Specifically, the goal of the Century Freeway Housing Program is to produce 3,700 or more housing units within the Century Freeway Corridor (6 miles in all directions from the 17.3 mile I-105 right of way) for displaced residents and other low/moderate income families. Current Project status (as of August 1, 1983) is as follows:

A.	Units completed	40	1%
B.	Units under construction	274	7%
C.	Units committed	252	7%
D.	Units programmed	950	25%
E.	Units to be programmed	2,184	60%
	TOTAL	3,700	100%

Overall program plan to provide 3,700 units involve a seven year construction schedule, costing approximately $300 million, to be completed or awarded by 1988. The program itself is divided into three program components as follows: $110 , or $110 Million component; 1025, the prior authorization component; and 1175, the last resort component. The following Chart arrays, by program component, the anticipated production schedule for the Century Freeway Housing Program:

Milestone Chart for Housing Contracts

Project Name/No.	Preliminary Engineering Begins	Award/Encumbrance	Completion Date	No. of Units
110M - 1st RFP	1/1/82	9/30/83	7/30/84	433
110M - LACDC	7/1/83	12/30/83	6/30/84	150
110M - 2nd RFP	9/1/84	9/30/85	3/30/86	400
110M - 3rd RFP	4/1/86	2/30/87	10/30/87	250
110M - 4th RFP	1/1/87	10/30/87	6/30/88	267
1025 Pilots	7/1/80	10/30/83	3/30/84	74
1025 FP #1	4/1/83	3/30/84	12/30/84	100
1025 FP #2	7/1/83	6/30/84	3/30/85	100
1025 FP #3	10/1/83	9/30/84	6/30/85	100
1025 FP #4	1/1/84	12/30/84	9/30/85	100
1025 FP #5	4/1/84	3/30/85	12/30/85	100
1025 FP #6	7/1/84	6/30/85	3/30/86	100
1025 FP #7	10/1/84	9/30/85	6/30/86	100
1025 FP #8	1/1/85	12/30/85	9/30/86	100
1025 FP #9	4/1/85	3/30/86	12/30/86	151
1175 - 1st RFP	10/1/82	9/30/84	8/30/85	800
1175 - 2nd RFP	9/30/85	9/30/86	6/30/87	375

TOTAL.............3,700

Notes: RFP = Request For Proposal
FP = Future Project

The 110M is divided into a series of Request for Proposals (RFP). The "LACDC" refers to an intergovernmental agreement under negotiation with the L.A. County Community Development Commission for a pilot development of 150 rental units.

The 1025 is divided into a series of future projects to be developed primarily on state-owned property by the Invitation for Bid (IFB) contracting method. The "pilots" refer to a series of three projects approved prior to adoption of the Housing Plan by Federal Highway Administration (FHWA) to test the Housing Program contracting and development mechanisms and policy.

The 1175 is divided into two Request for Proposals: A Request for Proposal currently in preparation and a future Request for Proposal. The Request for Proposal currently being prepared is designated to provide approximately 800 rental units at a cost of approximately $56 to $60 million. The important dates related to this Request for Proposal are (1) the date the Request for Proposal is available to the public (September 12, 1983); (2) the date conditional commitment is scheduled (December 30, 1983); (3) the award date (May 25, 1984); and (4) the date construction ends and occupancy can begin (April 12, 1985). It should be noted that this development of rental housing encompasses two requests. The first request is for a proposal for construction of the rental units and the second request is for a proposal for the ownership and management of the units. This proceedure entails a risk to Century Freeway Housing Program in that it may receive an acceptable proposal(s) for construction of rental units without receiving an acceptable proposal(s) for ownership and management of the units. Article 34 of the State Constitution constrains Century Freeway Housing Program from direct production, ownership and management of public housing absent a prior approval by referendum of the people in the affected jurisdiction. In the event Century Freeway Housing accepts a construction program without a concurrent ownership and management proposal it could find itself in violation of Article 34. However, the Department of Housing and Community Development believes that available options with regard to (1) structuring the income-mix of tenants (so that low-income tenants comprise 49% or less of the total tenancy) and (2) structuring the tenure of occupants by "lease/option to purchase" agreements (to avoid a pure "rental" project) may obviate such risks.

In terms of recent accomplishments, the Century Freeway Housing Program has undertaken a substantial management effort and study over the past month. This is a three part study consisting of an analysis of project staffing, organizational structure and development of a management information system with electronic data processing interface. This effort promises to yield, in the next few months, a responsible and capable management structure and organization to provide for an effecient and effective accomplishment of program goals. This study is doubly important because of the accelerated freeway/transitway construction schedule.

In the last 60 days the Governor has appointed an Executive Director and Associate Director to administer the program and implement any improvements. At this point 15% of the program has been undertaken and is either completed, in construction, or has been committed for production. Another 25% of the program is in planning at the present time, with the remaining 60% yet to be programmed. Staff of the Century Freeway Housing Program now feels confident that with the recent appointments and the implementation of the management system, the goals set forth by the Final Amended Consent Decree will be successfully met.

Thank you for the opportunity to testify about our work in producing the requirements set forth by the Consent Decree. The aggressive schedule that we have adopted requires a commitment and dedication by all parties involved in this important effort to improve conditions in this section of Southern California. While we are still in the early stages of our work, and face a number of challenges ahead, we remain confident in bringing our aims to reality. Thank you once again.

Mr. ANDERSON. Please proceed.

TESTIMONY OF MICHAEL HOULEMARD, JR., EXECUTIVE DIRECTOR, CENTURY FREEWAY REPLENISHMENT HOUSING PROGRAM, HOUSING AND COMMUNITY DEVELOPMENT, ACCOMPANIED BY BOB OLDER, ASSOCIATE DIRECTOR, CENTURY FREEWAY HOUSING PROGRAM

Mr. HOULEMARD. Yes; thank you, Mr. Chairman. Good afternoon. With me today is Bob Older, who is the newly appointed associate director of the Century Freeway housing program, principally responsible for housing operations.

This afternoon I would like to take a few minutes to discuss the Century Freeway housing portion of I-105 project.

Mr. Chairman, the——

Mr. ANDERSON. We do have your prepared statement. It will be made a matter of the record in its entirety, so you can either read it, extemporize or proceed any way you wish.

Mr. HOULEMARD. Mr. Chairman, I think I will just highlight a few points from the written statement.

Mr. ANDERSON. Fine.

Mr. HOULEMARD. I just wanted to point out that since you do have my written statement you know about our structure and organization. We are principally structured to generate approximately 3,700 housing units for the Century Freeway corridor and this is done in compliance with the needs established and mandate of *Keith* v. *Volpe*, the final consent decree.

Just to highlight some of the things in my written report, I would like to say that in producing the 3,700 housing units, we have three principal elements of our program. One is 1,175 program, which is to produce 1,175 rental units. Another part of our program is the 1,025 program; again, directed at the number of units that will be produced under the program, 1,025 units. We also have $110 million program which will fill in for the difference between the other two programs and the 3,700 unit goal.

At the present time we can report that we have about 40 units that are completed that were part of an initial pilot project, a series of pilot projects, that was generated at the beginning of last year. Under this program we have another 3,400 units, which are still as yet not completed in escrow. We expect that to be finished this fall.

We also have about 274 units that are under construction, which is about 7 percent of our unit total. We have another 252 units, which are now presently committed for, which is another approximately 7 percent of our total and we have programed another 950 units of our total, about 25 percent. This leaves us about 60 percent of our program total yet to be programed or planned for.

Included in the written report is a listing of our various segments of our program showing our preliminary engineering starts, our award encumbrance target date and, as well, our completion date target. Within that same chart we list a number of units that will be produced under each segment, bringing our total again to the 3,700 unit total.

Without getting too detailed about our programs, I would like to say just simply that at the present time we are looking to another major segment of our program upcoming in the next month and that is the issuance of a request for proposals for about 800 units of rental housing. This will be roughly a $56 to $60 million issue. The important dates to remember in this regard is that we expect to get the issue out in early September and that we will have conditional commitments for the projects that we select under this program in December, roughly December 30, 1983. We expect to make awards under this first RFP in May of next year.

As a result of that, we will begin, I believe, occupancy from these units in April 1985.

Mr. Chairman, I would like to say that in terms of our recent accomplishments, the Century Freeway program has undertaken a substantial management effort and study over the past month. As you know, we are authorized for 74 positions on our program. We have yet to fill all those positions as a result of a number of problems and difficulties related to our State freezes and attempting to straighten out the deficit that we have in the State.

We expect now that we have exemptions from that freeze to be able to fill our remaining civil service positions and other exempt positions on staff. We will also be working on a renewed organizational structure and a management information system that will better get information out about our program to your offices, as well as those others participating in the Century Freeway program.

It is our opinion that this effort promises to yield in the next few months a very responsible and capable management structure and organization that will work toward the accomplishment of our program goals.

I want to point out that this new organizational structure management system is of critical importance because of the accelerated freeway/transit-way construction schedule, which we all support very strongly.

Mr. Chairman, in the last 60 days the Governor has appointed an executive director and associate director, which are here before you, to administer the program and implement any improvements needed in the program. At this point, you are aware that 15 percent of the program is either undertaken or completed. Another quarter of the program is in planning at the present time, with, again, the 60 percent yet to be programed.

We are confident that with the recent appointments and the building of a solid management team the goals that are set forth in the final amended consent decree will be met.

I want to thank you for the opportunity to testify about our work in producing the requirements set forth by the consent decree. The aggressive schedule that we have adopted requires a commitment and dedication by all the parties involved in this important effort and we are happy to be a part of it.

While we are still in the early stages of our work and face a number of challenges ahead, we remain confident in bringing our aims to reality. I think I can speak for Bob in saying that it is exciting to be a part of this unique social experiment in the creation of replacement housing under the watchful eye of Congress, the

State government, the municipalities Los Angeles County, special interest groups and the neighborhoods, among others.

We thank you again for this opportunity, Mr. Chairman. We will be happy to answer any questions you might have at this time.

Mr. ANDERSON. Thank you very much, Mike, for your presentation.

Some questions on issues that you have already touched upon a little bit; what is the current HCD staff level in Los Angeles?

Mr. HOULEMARD. At this time, the Century Freeway Housing program employs 54 persons in civil service positions and two people in exempt positions, for a total of 56 staff at this time.

Mr. ANDERSON. How many people with HCD in Sacramento work on the Century Freeway?

Mr. HOULEMARD. We have direct assistance from about six individuals who spend a portion of their time in the program. I report directly to the director of the Housing Community Development Agency, Mrs. Susan DeSantis-Rogers, who is in charge of all HCD programs. The general counsel for the HCD program works on our efforts probably about 30 percent of his time, at times maybe 50 percent, and two other staff people are assigned on a part-time basis to work on our program.

Mr. ANDERSON. That was a total of six?

Mr. HOULEMARD. Well, there are two people also in the business services section, which basically supply administrative support at the Sacramento level. So, there are two staff people working in programmatic areas, the general counsel, the director of HCD and two people in business services.

Mr. ANDERSON. And they spend a good portion, 20, 30, 40 percent, depending on the person, of their time on Century?

Mr. HOULEMARD. Yes.

Mr. ANDERSON. In the past year have you sought additional staff personnel and been unable to obtain them?

Mr. HOULEMARD. We have sought additional personnel, Mr. Chairman, and have been able to recruit those individuals. We will be seeking other personnel to meet this goal that we have and expect that we will be able to achieve that as well.

Mr. ANDERSON. What kind of staff turnover have you experienced in the Los Angeles office?

Mr. HOULEMARD. Principally, the Los Angeles office has been recruiting for new positions and has only been in place for roughly 2 years and 9 months and I would believe that no more than eight or nine positions have experienced a turnover in the last year.

Mr. ANDERSON. Has staff turnover resulted in any delay in HCD activities?

Mr. HOULEMARD. The delays related to staff, Mr. Chairman, have not been as a result of turnover. They have been as a result of terminations, recent ones, and an inability to replace them as a result of our freeze. Prior to that, I could not speak to it because we don't really have a firm understanding of that, understanding that both Bob and I are just 2-month employees. We will need a little bit of time to answer that question.

Mr. ANDERSON. Why did you get assistance from the California Housing Finance Agency? I understand you did.

Mr. HOULEMARD. That is a very technical—I will give you our response as best as I am able to give it.

Mr. ANDERSON. When you answer that, maybe you can also clarify the service HCD get, from the CHFA.

Mr. HOULEMARD. They have been doing architectural review, assisting us in the closing of escrows and somewhat in the financing of projects. We expect to participate in the bond issue that they will bring forth in September. CHFA has——

Mr. ANDERSON. Bond issue doing what?

Mr. HOULEMARD. For the permanent financing for homes that will come on line as a result of our homeownership program.

Principally, CHFA has assisted us in the architectural review area and our contract with them as suppliers of two staff members who have done the architectural review, done portions of the design requirements for RFP's and RFD's, as well as design sections of all the documents that we have transmitted that relate to design and architectural work.

Mr. ANDERSON. How long have you been getting this assistance from the CHFA?

Mr. HOULEMARD. I believe it has been for 2 years. I think it is due to terminate on September 30 of 1983.

Mr. ANDERSON. Terminate why?

Mr. HOULEMARD. The contract was for that period. We are now staffing architectural and design staff.

Mr. ANDERSON. You will be able to do it yourself then?

Mr. HOULEMARD. Principally, we are going to reduce our involvement with CHFA. We may ask to continue that contract for one person that is in a position that is difficult to access from the State civil service system.

Mr. ANDERSON. How many contracts for housing construction has HCD awarded?

Mr. HOULEMARD. For housing construction, I would say—is it nine?

Mr. OLDER. A total, I think, of 19.

Mr. HOULEMARD. Yes, 19 contracts.

Mr. ANDERSON. How many units would be produced by those contracts?

Mr. HOULEMARD. 314.

Mr. ANDERSON. 314, by——

Mr. HOULEMARD. That would be 74 from the pilot projects and 240 from the homeownership RFP projects.

Mr. ANDERSON. What was the shortest and what was the longest time for these contracts between publication of the request for proposals and the awards?

Mr. HOULEMARD. We have some that I believe were 13 months. We have some that have yet to close and have run about a year.

Mr. ANDERSON. How many housing contracts have been awarded to MBE's?

Mr. HOULEMARD. Seven of the 19. We don't have an exact figure on that—not with us—but I believe that that is the correct one.

Mr. ANDERSON. When do you anticipate that rental housing units will be available under your program?

Mr. HOULEMARD. Rental housing units? In 1985. The specific date is included in my remarks, by April of 1985.

Mr. Chairman, I would like to add that one element of our program, which is under negotiation at the present time, expects that we will have an agreement with Los Angeles County's Community Development Commission, which proposes to bring units on line earlier than that. That agreement is not yet complete and so I am reluctant to give a specific date of when that will bring units on line. We are expecting that some of those rental units could come on line as early as March of 1984.

Mr. **Anderson**. Now, in talking to some of your people prior to this meeting today, I have gotten several different answers on what we foresee down the road. The impression I get is that the rental income—the first year you are having private contractors build these, the rentals are so low that they probably will not be sold on the open market, very readily anyway, and you may wind up owning them. Is that what you see down the road? The other alternative would be selling them so cheap to someone with the hope that they might amortize themselves somewhere down the road. Now, is this the picture as you see it?

Mr. **Houlemard**. Well, there is a risk that we could wind up in ownership of some projects once they are completed if we are not able to market them at some price. We do have the flexibility within the consent decree to sell projects for as low as $1 if it provides a subsidy that will make the project operational and manageable for a private owner.

We are going to be doing a two-phase approach in this first RFP, to first construct the complexes, the development, and then later to sell them. So, what we will do is we will ask for contractors, developers, to propose a project to us—after award—they will fine-tune that design. After that design is fine tuned or even prior to that time of that design we will send out a request for proposals for people to bid or to own and to manage the projects that are designated. Bidders may include the persons that are doing the work in the construction and development of the projects and we are going through this methodology to maximize the opportunities for minority business enterprise and women-owned business enterprises to participate in our programs.

It is our expectation that because of tax benefits and other benefits accruing to owners and managers of this program, along with subsidies that we are able to utilize in selling the project that we will be able to get buyers of these rental projects, so we would not enter into this effort. It is my expectation that we will be able to sell them.

However, there is that possibility that we may wind up in the ownership of the projects and we are developing a plan to carry those projects through the date of the completion of the project to a time when we can sell those projects on the open market. We do have the article 34 restrictions in the State of California, which would prohibit us from owning rental projects for the purpose of housing low-income families. So, we are in many ways caught in a catch-22, where we will have to find some provision at the time that those projects are completed and cannot, in fact, own them ourselves in some cases.

Mr. **Anderson**. I was aware of that problem. I thought maybe you would be going to the State to get some legislation on this because it looked to me like you might be backing into that business.

Now, you mentioned also that you might give a very reduced price to the potential occupant. Aren't a lot of these, however, in multiple units where you are going to have them all part of a multiple unit structure?

Mr. **Houlemard**. Yes, that, in fact, is true. In fact, one of our first projects to come on line, a condominium project located in Lakewood, 50-unit project that is a multiple unit ownership project.

Mr. **Anderson**. Then you could sell each condominium to an individual owner, but I was thinking of some structures where they were not set up as condominium-type structures.

Mr. **Houlemard**. At the present time we don't have any multiple complexes that are for sale. They will be part of this first RFP. I would have to ask, Mr. Chairman, that we report to you on that item at a future hearing. It is a future problem.

Mr. **Anderson**. When do you anticipate publication of a request for proposal for rental housing and how many units would result from the proposals? Have you made any study of financial feasibility of the rental housing that would be constructed.

Mr. **Houlemard**. Well, again, we expect that the first rental RFP will be going out in September 1983.

Mr. **Anderson**. That will be a published request for proposal?

Mr. **Houlemard**. Yes, it will be, and it will be for 800 units. We are expecting that the cost of construction of those 800 units will be between $56 and $60 million.

I think the second part of the question is when will that produce rental housing, which again is in 1985. The financial plan is quite simple and that is that we expect to have cash sales to develop to owner-managers of those projects once they are completed. We have done extensive studies to date in regard to what we might expect in terms of purchase prices for projects of different sizes. In fact, we are still undertaking those studies and are expecting to get some outside help in a very expert fashion to help us to be assured of what kind of purchase or bid prices we can expect for projects and of which size.

Mr. Chairman, I would like to say that the purchase of these projects is related to the income, as you may well be aware, that we can insure to persons bidding on the project. And the income is related to the ability of our displacees to pay. Principally, we are looking at low-income families, those that are of a moderate-income level or at the upper end of the low-income level will probably be eligible to buy units and so they won't be participating in the rental question. But those in the rental portion, therefore, will be low income, very low income and in some cases very, very low income. Therefore, the income stream to the future owner-manager is restricted, very restricted and will be reflected in the kind of purchase price offers we will get from owners-managers in the future.

Mr. **Anderson**. Yes, in talking to one of your people earlier, they told me that you are limited in the amount of rental by a percentage—of what the renters income would be and in some cases 25 percent of whatever they took in. If the rental income was very,

very low, you surely couldn't sell it and expect the purchaser to handle a maintenance operation or some other expensive item down the road. Someone else might be in a good tax bracket that could handle it, would be looking for it. Now, how do you bridge that gap?

Mr. HOULEMARD. As I said, we are looking for as much help as we can get on that. I think what we are expecting to get are some very low bids and we have looked at this question and you are correct, it is 25 percent of income that we are restricted to charge folks that will rent our projects, that will rent within those developments that are generated by our program.

Mr. ANDERSON. And if you sold it to them for a dollar, they still wouldn't be able to handle it——

Mr. HOULEMARD. They wouldn't be able to handle the management of the unit.

Mr. ANDERSON. It just won't pay for itself that way.

Mr. HOULEMARD. No, it would not. So, we are looking at having to subsidize these projects by accepting very low bids for the purchase of these projects, hoping that the tax benefits accruing to the buyer as a result of the Economic Recovery Tax Act of 1981 and other tax acts will be sufficient to provide proceeds, Mr. Chairman, that may be able to compensate for deficits in the management of the properties.

Mr. ANDERSON. We would like to be informed on your progress and your concerns on this because even though this is part of a highway construction project, the solutions may fall more in taxation legislation at perhaps even the Federal level, as well as the State. There may be needs to make certain provisions in tax benefits for the kinds of people who might be potential buyers. Something like this could be beneficial and we should know about it. Even though our committee would not handle such legislation. It would have to be handled in Washington by the Ways and Means Committee, the tax people. But I know these are areas that we are not even thinking about when we write tax laws. So, we should be advised of this. Either that or you are going to have to be in the housing business yourself, professionally.

Do you see any advantages to the Century Freeway for more active involvement of agencies such as the Los Angeles County Housing Authority?

Mr. HOULEMARD. We need help from everywhere we can get it, Mr. Chairman. We have been in communication with the Los Angeles—the City of Los Angeles Housing Authority, the County of Los Angeles Department of Regional Planning, the Los Angeles County Community Development Commission and others, and to the extent that we are able, that the consent decree allows us, we will participate with those programs.

We are principally concerned with how working with those programs will comply with the consent decree as we don't want to reopen any discussion about the consent decree compliance. Wherever we can get some help, we will. We are talking with others within the State and within the Federal financing assistance programs to help us with the permanent financing for homebuyers and we expect that there are several programs that will be able to assist us.

Right now, we have not found that the City of Los Angeles Housing Authority or the County of Los Angeles Housing Authority will be of any significant magnitude of help except in those areas where we are crossing the city or county administrative boundaries.

Mr. ANDERSON. Well, I want you to know that we want to be helpful to you. We want you to know that we are there to help you. My role, as Chairman of the Surface Transportation Subcommittee is to get, as John Bjork mentioned earlier, the concrete and steel moving. That is my area. But the other people who are in this corridor, other Congressmen, and the other members who are on this committee, each of them come at it from different angles. Congressman Hawkins, who was here a moment ago, is very much concerned about jobs and the housing in the area, and I know that Merv Dymally has been very interested. Now, Gus is—is one who works in jobs legislation, and that is one of his main roles in Washington.

Julian Dixon, who represents the western part of the corridor is very interested. And he can be very helpful if we need to involve the Appropriation Committees. So, each of us have our own area of expertise, our areas of activity that we are involved in, and where we can do things.

I would like you to know that we are aware of the tremendous job that has to be done here, and some things look quite encouraging. The list that you or someone presented, showed a total of 3,700 units that will be completed by June of 1987, which is not very far off. This is mid-1983 right now and I noticed in that in 1987 you only have 600 units to complete that year and the year before you had 800, so 2,300 of your 3,700 units will be completed by 1985 and we are almost to 1985 right now. As I say, 1984 is just pushing us and 1 more year will be 1985. You indicate 2,300 of your housing units will be completed, according to your schedule here and that shows the number of units and the completion date and the whole business.

I want to congratulate you on the speed with which you are moving and let you know that we are here to help to expedite any way that we possibly can. I want to thank you for your presentation here today.

Mr. HOULEMARD. Thank you, Mr. Chairman. I just wanted to say there is a small error in what you stated. There is about 267 units, which aren't scheduled to be completed until June 30, 1988.

Mr. ANDERSON. Is that in addition to the 3,700?

Mr. HOULEMARD. If you will look in the $110 million program, but essentially your comments are correct. We appreciate your help in this area and——

Mr. ANDERSON. Oh, I see, yes.

Mr. HOULEMARD. We will keep you in constant notice of our success and our failures and our progress in this program.

Mr. ANDERSON. Of 3,700 that you showed me that will be completed by 1987, how many won't be completed until the following year?

Mr. HOULEMARD. 267.

Mr. ANDERSON. 267. I didn't read the paragraph. I was reading the schedule below that. Thank you very much, Mike, and, Bob, you are very quiet there. Are you always this quiet?

Mr. **Older**. Not usually.

Mr. **Anderson**. Thank you very much for your presentation.

Mr. **Older**. Thank you, Congressman.

Mr. **Anderson**. Our next witness is from the Los Angeles County Transportation Commission, Jacki Bacharach, the Commissioner. Jacki was almost a constituent of mine, but I keep leaving her. I keep getting farther and farther away from you.

The full text of your prepared statement will appear in the record at this point.

[Statement referred to follows:]

TESTIMONY OF JACKI BACHARACH, MEMBER, LOS ANGELES COUNTY TRANSPORTATION COMMISSION

Good Afternoon: My name is Jacki Bacharach. I am a member of the Los Angeles County Transportation Commission. I will present our Commission's comments on the progress of the Route 105, Century Freeway/Transitway project.

The LACTC is very pleased that our top priority Interstate project, the Century Freeway/Transitway, is proceeding into construction. We have programmed over $1.4 billion in Federal Interstate construction dollars for the Century Freeway/Transitway project, including the replenishment housing element, in our 5 year countywide Transportation Improvement Program. These funds have recently been approved by the California Transportation Commission for inclusion in the 1983 State Transportation Improvement Program.

The Commission is committed to continuing to program funds for the project until it is completed. Additionally, we will support the acquisition of Federal Interstate Discretionary funds if that becomes necessary, due to the potential construction of both the Century Freeway/Transitway and the Harbor Freeway Busway.

In an effort to expedite this project, we have already programmed those projects that are ready to go to contract this budget year. We are aware that freeway construction is tied to replenishment housing construction and that it is critical that the housing program stay on schedule. Because of this critical path, we are continuing to closely monitor this project and are happy to say that we are not aware of any delays at this time.

Regarding the transitway element of the project, the Century Freeway is also one of the high priority Proposition A rail corridors being considered in the Commission's county-wide Proposition A Rail Transit Implementation strategy.

As part of the development of this strategy, the Commission will compare the busway and rail line alternatives for the Century Freeway/Transitway. This comparison will be completed by November 1983, at which time the LACTC will make a decision on whether the Century Freeway/Transitway should be built initially as a rail line or as a busway.

Caltrans has assured us that our schedule regarding the appropriate mode for the transitway fits into their construction schedule.

Thank you for this opportunity to present a review of the LACTC's actions and commitments regarding this high priority Interstate project. As always, we appreciate your interest, Congressman Anderson, in completing the Century Freeway/Transitway and in doing it on schedule.

Mr. **Anderson**. Please proceed.

TESTIMONY OF HON. JACKI BACHARACH, COMMISSIONER, LOS ANGELES COUNTY TRANSPORTATION COMMISSION

Ms. **Bacharach**. My name is Jacki Bacharach and I am a councilwoman in the city of Rancho Palos Verdes and a member of the Los Angeles County Transportation Commission and I am here to tell you about our commission's actions and progress on Century Freeway.

We are very pleased. We consider the Century Freeway transitway project a top priority and it is very pleasing to us that it is proceeding in construction. In our 5-year countywide transportation improvement program, we have programed over $1.4 billion in

Federal interstate construction dollars for this project, including replenishment housing element.

These funds, as you already know, have been approved by the California Transportation Commission in the State program. The commission is committed to continuing to program funds for the project until it is completed. Additionally, we will support the acquisition of Federal interstate discretionary funds if that should become necessary due to potential construction of both the Century Freeway transitway and the Harbor Freeway busway.

In an effort to expedite the project, we have already programed projects that are ready to go to contract this year. We are aware of the tight and critical path of the housing program and because of that, we want to closely monitor the project and we are very happy to say today that we are not aware of any delays in the project at this time.

Regarding the transitway element, the Century Freeway is also one of our high priority Proposition A rail corridors, which we are considering under our rail implementation strategy in Los Angeles County.

As part of this development, we will compare the busways to the rail line alternatives for the Century Freeway and by November 1983, we will make a decision as to whether we want to initially put in rail on the Century Freeway transitway or busway.

Caltrans has assured us that our schedule fits into their schedule.

As you said, it is a short statement and I want to thank you for the opportunity to come here today and present L.A. County Transportation Commission's actions and commitments regarding this project.

As always, we really appreciate your interest in completing the project and in doing it on schedule. We feel it will greatly enhance living in Los Angeles County. Since I just came here this afternoon from the city of Hawthorne and had to go by I don't know how many different freeways, because there was no Century Freeway, I am personally an advocate today.

Thank you very much.

Mr. ANDERSON. Well, thank you very much, Jacki. I have some questions here and you did touch on a couple of them on the rail question. I can probably lobby you, too. I would like to see us have light rail down the Century Freeway. I don't know whether it is feasible because of the situation that Mr. Heckeroth mentioned earlier, because of the potential tie-in problem with the Harbor Freeway. I would like to see light rail on it, too. I am not sure that—we do have some problems there. If they were totally separate, it would be fairly easy to put light rail on Century and not on the Harbor, but I want to see us proceed and I know that you people are making this decision now, along with some others as to which way it is going to be. I personally would love to see light rail go down that Century Freeway from the east on one end to the L.A. Airport on the other. Maybe even if we can't have light rail on the Harbor, that might be an interchange where we can have the change from bus to rail if we want to.

I remember when we first got into the legislation that I handled to add the Harbor Freeway to the Federal Interstate System, Mayor Tom Bradley among others was there talking about wanting to get this Century Freeway and the Harbor Freeway—he wanted to get the Harbor Freeway added down to Century, so he could get either HOV or rails from downtown L.A. out to LAX in time for the Olympics. Well, he is going to miss the Olympics and we still haven't decided yet how we are going to get around that corner if you go down the Harbor Freeway and then on Century Freeway west. We may have to get off our bus, if that is what—it may be an HOV, to get on a rail to go the rest of the way to LAX and that will have some problems. But, anyway, that is your responsibility to help make those decisions and I will ask some questions along the same line.

How much Proposition A money do you anticipate will be available for non-Wilshire Line, nonoperating assistance purposes between now and 1990? If you can't do this, get it for the record.

Ms. BACHARACH. Yes, OK.

Mr. ANDERSON. Because, for example, we do want to know how much money is available for other light rail facilities, such as Century or such as any other ones that we might be thinking about.

Ms. BACHARACH. Our strategy today considers us building or having enough money to build the metro rail line and the L.A./Long Beach line and to begin implementation on one additional line. We can get you the actual dollar figures, but that is what we are looking at by 1990 is one additional line.

Mr. ANDERSON. And also you are going to have some operating money there that you are going to have to work on, too.

Ms. BACHARACH. That is right.

Mr. ANDERSON. So, we are talking about the nonoperating——

Ms. BACHARACH. Using the rail money, right. We are also looking—the commission is right now looking into legislation which would allow us to bond in order to do this.

Mr. ANDERSON. Do that again. How would that be?

Ms. BACHARACH. We would use the money that we have for rails and we would bond against that money so that we could have more money initially to start construction and use the 35 percent which is dedicated to rails to pay back those bonds. But that is what we are talking about doing now and in that strategy we still feel that we would—by 1990, it is still one additional line besides those other two.

Mr. ANDERSON. I would like to ask you this question, but I perhaps should have asked it of Heinz. Has any thought been given in the development of these stations, for example, along Century to utilize them in an economic development manner where a private developer, because of what he will make off of what we can expect to happen, can help pick up the cost of some of the items themselves? On the Metro Rail, on each station practically we will have the private developer pick up much of the tab of the total station just by what they will be making on what we know it is going to bring economically to that particular area and developers are happy with the idea. They are happy to be able to get that kind of a development situation.

Now, I would think maybe not quite as good as on Metro Rail, but maybe almost as good would be some of these stations on the Century. Have you taken this up at all?

Ms. BACHARACH. We are taking it up very seriously on the L.A./Long Beach line. I think it is the future of how we are going to have to go with rail and I think on the Century Freeway line they have also done these kinds of studies.

Mr. ANDERSON. I may get back to that then a little later, Heinz.

For example, we are told if the Hollywood Bowl station is built, it will cost, given the 62/38 Federal match now anticipated, about $25 million in non-Federal funds or about 20 percent of the cost of going with additional light rail on the I-105 or some other corridor. Does the commission have a position on the Hollywood Bowl station?

Ms. BACHARACH. We are going to be taking a position in the first meeting in September. We have not reviewed that yet, but it will be coming before the commission.

Mr. ANDERSON. Do you know offhand how much more Prop A money would be required if the Hollywood Bowl station is constructed?

Ms. BACHARACH. Our figures are $75 million for the station and whatever would be necessary to build it. There have been discussions of private money coming into that station.

Mr. ANDERSON. How much of that would come out of Prop A? Because I get the impression that there won't be very much developer money helping in the Bowl. It is different than the other stations where a developer would move in and, as I said, be happy to pick up almost the entire tab for what they will get, but we don't see that or I don't see that, at the Hollywood Bowl station. It would seem to me much of it would have to come from Prop A money.

Ms. BACHARACH. Well, one of our concerns at the commission is that you are probably correct and we are not going to be considering the Hollywood Bowl station alone. We are going to be considering it together with all of the ramifications of metro rail and what it is going to do to Proposition A and how we feel on a lot of issues on the line, Hollywood Bowl being one of those.

I personally share your concern. That will be a significant part of our discussion in September.

Mr. ANDERSON. My question was, has the commission taken a position or will it. Apparently, you are going to be studying this and taking a position on the Bowl issue itself.

Ms. BACHARACH. Yes.

Mr. ANDERSON. Do you forecast sufficient patronage on the I-105 to support light rail?

Ms. BACHARACH. We are now in the middle of what we are calling our rail transit implementation strategy, which is going to give us patronage forecasting. It is hard for me to answer that. We envision, based on previous studies—and these are long answers to short questions—that it does have the patronage for light rail and probably we are deciding between bus, light rail or even something heavier, but I can't tell you in the numbers today.

Mr. ANDERSON. I suppose I should volunteer to testify because I am one of the optimistic forecasters and every time I make a prediction, it turns out to be conservative. One of the reasons, John, that I have to live to the year 2000, is that I have made so many predictions that are supposed to come true by 2000. I want to be here to see just how close I came.

Mr. **Bjork**. We are working on the same schedule.

Mr. **Anderson**. I can remember so many of them, but I remember when we were building the Vince Thomas Bridge, we had any number of economic forecasters who said, oh, it will never pay for itself. It just wouldn't do it and I know one of the last ones I argued with, Coverdale & Colpits, who finally made their final reports for us and I kept saying it is going to pay for itself; it will pay for itself. It has even done better than I predicted and we had the same results in Coronado when we built that bridge.

So, I predict that there will be more patronage on the I-105 than many people think there is going to be because I know somewhat of what the potential traffic is back and forth; that is, providing we have something good. People don't want to get out of their car and get into a bus or street car that is going to stop at every block or isn't good passenger transportation. But if you have a good, fast, comfortable light rail system there, I know you are going to have business there, if it goes someplace. It can't go 5 miles from LAX. It has to go all the way. It has to go from one end to the other and you will probably find that you will go beyond—you may not go beyond LAX, but I am confident you will extend the system the other direction eventually.

Won't light rail on the I-105 complement the L.A./Long Beach line, allowing people from Los Angeles or the harbor area to get to the airport and the beach cities? I think I almost answered that myself.

Ms. **Bacharach**. Yes; you did.

Mr. **Anderson**. But I would like to have your answer because this is all for the record and that is why we are doing this here today so we can get some of you on the record.

Ms. **Bacharach**. It definitely would complement the system, the light rail system, that we are envisioning in L.A. County and, as you say, one system where people don't have to leave that kind of technology and get into another makes riding easier. What we don't know today is what we are going to have the money to do. That is why I can't give you any definite answers, but if we all had the money to donate ourselves, we would build light rail on Century Freeway. I just don't know that we can do that.

Mr. **Anderson**. Now, there are several who have discussed light rail along the coast corridor and doesn't it seem that this would only make sense if you had light rail corridors, such as the I-105 to bring people out to the beach cities? It seems to me that a corridor down the coast has more feasibility if we have one going across where you can go across and up, rather than not have one without the other. You are studying that, too, aren't you?

Ms. **Bacharach**. You are right. The most exciting thing about proposition A and the fact that we have a strategy is that we are not talking about one line. We are now talking about a system where all of it makes sense because it all feeds into each other and the South Bay line, the Harbor line, the Long Beach line, they all make sense because they are going to be working together. I think really if we could get them all built, bus or light rail, people will realize they can get out of their cars and get around Los Angeles and that is a plus no matter how we do it, bus or rail.

Mr. ANDERSON. Thank you very much, Jacki. I might say for the benefit of others, the reason we are asking these questions here today is not because—in many cases we know the answer before we ask them and in most cases we have already asked you in different capacities. I know that several of you have already been back to Washington and talked with me at different places and others back there and we have talked with the L.A.C.T.C. and Caltrans and S.C.A.G. and all of them. The purpose here today is to get them all on the record at one place and then when we publish the record, it will have everybody's views in one little compact place and not what I have heard from one place and somebody else has heard from another. So, that is the reason we ask some of these questions that you maybe wonder, well, he surely knew the answer to that before he asked it.

Thank you very much for your presentation, Jacki.

Ms. BACHARACH. Thank you.

Mr. ANDERSON. Our next witness is Clarence Broussard, the executive director of the Century Freeway Affirmative Action Committee.

The full text of your prepared statement will appear in the record at this point.

[Statement referred to follows:]

STATEMENT SUBMITTED BY CLARENCE J. BROUSSARD, JR.

Congressman Anderson, ladies and gentlemen: It is my pleasure to speak to you today about the work of the Century Freeway Affirmative Action Committee (CFAAC). As you know, CFAAC was created in October 1979 by exhibit C of the consent decree. The committee was bestowed the responsibility of ensuring that minorities, women, and corridor residents are appropriately represented in all employment and business opportunities associated with the construction of the Century Freeway.

The seven member committee comprised of representatives from FHWA/Caltrans/National Organization for Women (now)/Mexican American Opportunity Foundation (MAOF) /NAACP/ the board of supervisors/and the Governor's office, was actually formed in November 1979. In June 1980, the committee chose a Staff and program activities began.

I must say that between June 1980 and May 1982, there was a tremendous lull in freeway activity, primarily due to fiscal problems, continued legal battles, and planning delays. Projects were slow in actualizing, so CFAAC staff took this time to create an in-house organizational structure which would effectively accommodate projects when they started.

Organizationally, CFAAC has developed comprehensive systems which focus on the following areas:

(1) Participating in the setting of minority and female business goals on each (I-105) contract.

(2) Recruitment of minority and female business enterprises.

(3) Providing technical assistance to M/FBE'S.

(4) Monitoring contract compliance regarding M/FBE participation.

Since the May 1982 groundbreaking, projects have actually begun to get underway. To date, according to Caltrans bidder MBE information reports, over 20 million dollars in major highway and housing contracts have been awarded. We are pleased to announce that thus far, minority and female owned businesses have received over 50 percent of the available contract dollars on these major projects. You are all aware that this is an astounding M/FBE participation rate. It surpasses any such rate in the history of public works projects.

We believe that to a great extent this extraordinary achievement can be directly attributed to the goal setting responsibilities and the recruitment efforts of the Century Freeway Affirmative Action Committee. During the 12 months we have established M/FBE participation goals on every major project. Through our advocacy efforts, all of these goals have been met or surpassed. In our recuritment effort we have talked to hundreds of contractors and we have encouraged them to join the "system" and participate on Century Freeway projects. Also we have compiled a listing of M/FBE's throughout the State and we made this list available to the public.

We have also been very active in the area of technical assistance. We have sponsored 12 business development conferences which are designed to provide vital information to contractors in such areas as bonding, marketing, estimating, and management skills. We provide ongoing individual assistance to contractors by offering assistance with the MBE certification process, the bid process, and affirmative action specifications.

In addition to goal establishment, recruitment, and technical assistance, probably the most important task we perform is monitoring projects to ensure compliance to affirmative action guidelines. This activity is absolutely crucial for so often prime contractors go through a formal bid process and then when work begins, they fail to adhere to affirmative action requirements. One such instance happened recently with the Willco dump phase II project. This 3.9 million dollar project involved the removal and disposal of trash from the Willco dump in Lynnwood. Our fine staff work uncovered the following irregularities on the Willco site:

MBE truckers were dismissed from their jobs by the contractor without notifying CFAAC or caltrans.

The contractor used brokers and non-minority truckers from outside of the corridor.

Non-certified MBE's were being used on the project.

As a result of these findings, CFAAC filed a request to stop work on the Willco dump project with caltrans civil rights. Immediately following CFAAC's request, Caltrans, issued a stop work notice and began an investigation of the alleged violations. After thorough investigation and negotiations the violations were corrected, and work on the project resumed.

I mention this case as evidence of how crucial monitoring is. Fortunately we were able to detect these particular violations early. On so many other public works projects, contractors are allowed to nearly complete the job before anyone discovers that M/BFE goals were not met.

Ongoing violations of affirmative action guidelines on Century Freeway projects will not exist as long as we continue to effectively carry out the mandates of exhibit C of the consent decree. We believe that the Willco dump situation sent a message to everyone, that the Century Freeway Affirmative Action Committee is serious and committed to representing the interests of women, minorities, and corridor residents. And that, adherence to affirmative action requirements is mandatory if you want to participate on Century Freeway projects.

Indeed these 12 months have been busy. Our staff has grown from 5-12 people and we continue to work diligently to meet our mandated goals and responsibilities.

We did learn some things in the last year. We've become confident that the affirmative action approach is good for business. Good for business in both the public and private sectors. Affirmative action brings to business a new energy. This new energy takes the form of a commitment made by workers who have heretofore been systematically excluded from participation. These new workers and entrepreneurs bring to business a great enthusiasm and a tremendous desire to succeed.

We've also discovered that affirmative action and organized labor are compatable because, contrary to current thoughts, affirmative action does not displace existing workers. In the spirit of cooperation, CFAAC has worked closely with AGC in an effort to establish realistic M/FBE goals. CFAAC has provided technical assistance to AGC members who are interested in identifying and utilizing M/FBE's. CFAAC openly enjoys the ongoing support and encouragement of organized labor.

Not surprisingly we have also come to realize that M/FBE's should be viewed in the same light as small business programs, for their needs and problems are much the same. We will soom implement regional business goals. These goals advocate the interest of small business throughout the corridor. While planning for this effort we came to clearly realize that there is a "natural" connection between M/FBE's and small businesses.

Finally and most importantly, we have learned that an independent, autonomous entity like CFAAC is highly effective in generating and facilitating M/FBE participation. Again, I must say that Century Freeway M/FBE participation rates are history making. We intend to continue to make history. . . and we hope that our project will be used as a natioinal model to increase M/FBE participation on public works projects throughout the Nation.

Thank you and are there any questions?

Mr. ANDERSON. Please proceed.

TESTIMONY OF CLARENCE J. BROUSSARD, JR., EXECUTIVE DIRECTOR, CENTURY FREEWAY AFFIRMATIVE ACTION COMMITTEE

Mr. BROUSSARD. My name is Clarence Broussard. I am the executive director of the Century Freeway Affirmative Action Committee. Since this is our first time before you, Congressman, I would like to give you just a brief background about the committee.

The committee was established in 1979 as a result of the consent decree. The responsibilities of our particular committee is to ensure that minorities, women and corridor residents are appropriately represented in all employment and business opportunities associated with the construction of the Century Freeway.

We have a seven-member committee comprised of representatives from Federal Highways Administration, Caltrans, National Organization of Women, Mexican American Opportunity Foundation, NAACP, the Board of Supervisors and the Governor's Office. That particular committee was formed in 1979, but has in reality had an operation for some time, approximately a year and a half.

We view that our objectives are thus: Our overriding objective is to assure that minorities and female-owned businesses obtain participation in business opportunities created by the construction of the Century Freeway. We also view the consent decree as our responsibility to assure that businesses located in the communities as a whole that are impacted by the construction of that freeway also obtain an opportunity to participate in the construction of that particular freeway.

Then we view that our responsibility is to insure that individuals who live in communities impacted by the freeway obtain employment opportunities. That is all individuals within the communities; in particular, women and minorities who may not have had a history of participating in major federally funded construction projects.

To reach that objective, we view that in addition to assisting Caltrans in expediting the proposed project, we also view that we had to establish a number of networks of communication. One network of communication that we are very pleased to say that we have is with organized labor. We have been told by organized labor that we enjoy their full support in our efforts to bring women and minorities into the construction trades, as well as to insure that individuals within this community obtain employment opportunities as a result of the Century Freeway.

We also have met several times with the Association of General Contractors and their membership in an attempt to explain to them the responsibility of the consent decree and to work out ways in which we can mutually work together toward implementing the consent decree. To this date, we believe that we have excellent communication with the Association of General Contractors and their membership in explaining the minority business program, the regional business program and the employment program.

Also, we believe it is important to maintain a close relationship with the local business organizations located within the communities and we have managed to maintain excellent relationship with the local chambers of commerce, as well as the Greater Los Angeles Chamber of Commerce in letting their members know about business opportunities that are created by the construction of the Freeway.

So, what you really have before you, Congressman, is not only a minority business program, which we view as significant unto itself, but also a regional business program, which seeks to cause businesses in these communities that have been impacted by the construction of the freeway to benefit as a result of that construction, to benefit from the business opportunities, to benefit from the construction opportunities.

We have found over the almost 2 years that I have been the executive director that one of the important ingredients in any responsible minority business program is the monitoring activities for that program. So, we have spent a large amount of our effort in devising a monitoring system that can insure compliance with the minority business goals that have been established in concert with Caltrans and the department of housing community development.

Those monitoring activities, we view, have to be timely in nature and in our prepared statement we give you one example of an unfortunate incident, which set a precedent which we hope will not have to be repeated on the Century Freeway, and that was with the operation of the Willco dump. We had approved a contract or concurred in the award of a contract to a given contractor, who had pledged to use women and minority contractors. Shortly after the initiation of that contract, we found that there were a number of violations, not only in regard to the use of minority and female contractors, but also health and safety standards and general standards in terms of construction and removal of that particular dump.

Due to monitoring efforts on our part, we were able to bring this to the attention of Caltrans, who then took the initiative to have a stop work order on that particular project. After a period of negotiations, we were able to get that project back off the ground, started again. It began about a week ago and now they are meeting the requirements of the consent decree, as well as their individual contract.

We are proud to say that to date over 50 percent of the dollars that have been contracted by either Housing Community Development or Caltrans have been awarded to minority and female subcontractors. We view that as one of the highest accomplishments in the Nation today. We think that has been accomplished because we have been able to work cooperatively with Caltrans, with Housing Community Development and, moreover, we have been actively engaged in the communities in identifying and bringing into the process women and minority subcontractors.

We have been instrumental in seeing that a technical assistance project was established where individual minority and female contractors can come in and work on their individual problems. We have been instrumental in seeing that an employment and training program was established for the Century Freeway so we could prepare people to at least initiate the beginning of working on major construction projects.

We are continuing our efforts in identifying individuals in the community who operate businesses that can become involved in the construction of the Century Freeway.

We think, Mr. Chairman, that we have a model that is worthy of national attention. We take note of the fact that you are the chairman of the Surface Transportation Committee and in that particular committee we know that you are considering the initiation of a minority business program and we welcome your attention to this particular program because what it shows is that an outside organization that was created by the court, which we are, can work cooperatively with the bureaucracies that are in charge with implementing a major transportation program and can insure that women and minority folks who run and operate businesses will be able to participate in the process. They will participate in the process by not increasing the costs. They will participate in the process only through ongoing public relations efforts that tell them exactly what they have to do, a hands-on technical assistance program that shows them what they have to do and then a monitoring program that insures that they comply with the responsibility to the individual contract.

We have worked for 2 years in developing this system. We think that it is an excellent system. We would like to see it go national. We think it is something that the individuals who wrote the consent decree had an awful lot of foresight and a lot of imagination and it is a system that works.

I want to thank you for inviting us here and I am available to answer any questions that you may have, if I may answer them.

Mr. ANDERSON. What level of MBE participation in the Century Freeway contracts have you been approving in the past year?

Mr. BROUSSARD. To date, over 50 percent of the dollars have gone to women and minorities. Now, that exceeds the goals that have been established by the individual contracts. As an example, in the first request for proposals by Housing Community Development, the overall minority business goal was 45 percent.

Mr. ANDERSON. Forty-five percent of what?

Mr. BROUSSARD. Forty-five percent of the total dollars going to the contractor, excluding land costs, permits and fees. So, that would be the construction costs, 45 percent of the dollars that are going to construction. We find that all of the contractors that have been approved to date, of which I think there are some six that have gone through the process, have exceeded that 45-percent goal. I believe they are somewhere in the neighborhood of about 53 percent. So, they have far exceeded that.

On the highway program side, where we have four projects that are in process at this time, I believe that the overall goal is somewhere around 44 or 45 percent, as well. We find that they are also exceeding that particular goal. That goal on the highway project is somewhat skewed by virtue of the fact that the Willco dump project had a goal of 65 percent of the total dollars. So, that is a big project and it somewhat skewed the dollars for the highway project, but, nevertheless, we are far exceeding 40 percent of the dollars going to women and minority subcontractors.

Mr. ANDERSON. At a national level, it is argued that not enough qualified MBE's are available to reasonably require a 10-percent participation rate and, yet, Century Freeway contracts are successfully much higher. What is different about this project to explain that higher level?

Mr. **Broussard**. Well, first of all the area in which the Century Freeway is being constructed. If I were in North Dakota, perhaps a 45-percent goal——

Mr. **Anderson**. I am going to take you to North Dakota in a minute or two.

Mr. **Broussard**. It may not be as realistic, but I would venture to say that based upon probably the size of the project that we could exceed 10 percent of those dollars. I think that the success of the Century Freeway project has to do with the fact that the minority business regulations that we are using are those from May 1980, which put one important clause, and that clause says if any bidder offering a reasonable price meets the minority business goal, then it will be presumed that all other bidders did not make a good faith effort to find and utilize minority and female subcontractors.

Now, since that time there has been ongoing efforts to water down that provision, so that today what you have essentially is a best faith effort. The way that comes out in practicality is what your construction agencies end up doing is going to the low bidder and then they talk to the low bidder and say what effort did you take to meet the minority business program and then they evaluate those best efforts.

Invariably, the low bidder probably did not meet the goal. In fact, on the Century Freeway highway project, we are finding that the low bidder does not necessarily meet the goals, so that what we are doing now in the Century Freeway is that we are looking at the reasonable price, which means this is what the State was willing to pay for that particular project and if you come in with a reasonable price and you meet the goal and you are the lowest bidder of those who meet the goal offering a reasonable price, then you will get the contract. That makes a big difference on your minority business program and that is the reason why we are able to establish the types of goals that we have and that is the reason why we are able to meet those goals, because the contractors out there know that not only do they have to offer a good price, but they have to offer a good price using qualified women and minority subcontractors.

Mr. **Anderson**. Yes, I am a strong supporter of some mandated use of minority and I think the Secretary of Transportation used the word "disadvantaged" contractors. I believe this is a worthwhile goal. I am concerned by stories we hear of some organizations where minorities are installed as fronts. Now, to what extent does this occur and how do you police against that? For example, I think there was one successful contractor in the eastern part of the country, and he was a minority, but there were no minority people working for him. What do you do to police this kind of situation, and where somebody may have set up a separate corporation where they own the corporation and they loan the minority person enough money to buy 51 percent control. They still own—he still has a note against them. They have the balance of it. It is really not minority controlled and, yet, technically and legally he does qualify—the owner, who has 51 percent of stock in his name is minority. Now what experience have you had with these kinds of situations?

Mr. **Broussard**. Well, I agree with you. Fronts are rampant. I am sure you are aware of the West Virginia cases where they had to have a whole investigation. Within the State of California we have had experiences with numerous sham and front organizations. We are happy to say that the California Department of Transportation has taken the initiative to revamp their entire system of certification, setting up, in fact, a Century Freeway certification unit to insure that fronts and shams are not allowed to survive.

The key to the identification of shams and fronts has to do with on-site review of the operation. What I mean by that is that the MBE regulations talk about not only ownership but control, day-to-day management of that organization, and you can't do that, you can't determine whether that is being done, by simply sitting in an office and reviewing some by laws, some articles of incorporation and maybe even a financial statement or some stock certificates. You have to basically sit down with the individuals, inquire what they do on a day-to-day basis.

The way that we are spotting the fronts that have existed is by inquiring on the day-to-day management of that organization and if you inquire on a day-to-day basis, then you will begin to spot the fronts and the shams. So that within the Century Freeway program—and I think we owe a deep debt of gratitude to Caltrans in this regard. They have taken the initiative to review their entire process and now what they are doing is recertifying everybody in the State virtually in terms of applicability to the Century Freeway and they have found a large number of those organizations were quite not what they purported to be. So, unless you have a vigilant system of monitoring, unless you go out to those individual places on an ongoing basis and check their records and interview the people who are supposedly in charge, you will have shams and fronts that will be rampant in your organization, because it makes sense to do it.

We are also finding, Congressman, that the shams and fronts are not necessarily what you would consider the traditional ones, where you would have a white male who would find a minority and set him up in business. We are finding that because you don't have as many identified female-owned firms, we are finding minorities who are turning over the companies to their wives to get credit as a female-owned business. Economic greed manages to transcend all groups and we are finding that minorities are setting up female fronts. So, Caltrans has had to guard against that as well because competition would be less if you are a female subcontractor than if you are a minority subcontractor. So, we are finding that to be the case as well.

So, you have to have a system that is detailed enough, where you can check on the day-to-day operation. You should be automatically suspicious whenever you find a corporation that is either 51 percent owned by a minority and 49 percent owned by a nonminority. You should be automatically suspicious when you find a corporation that is 51 percent owned by a female and 49 percent is owned by her husband. There are some signs that pop up. You should become suspicious if the person who formed this corporation, his minority partner or the partner who owns less of the corporation, used to be his boss last week.

These are things that we catch on an ongoing basis. The difference is Caltrans has a system now to catch it.

Mr. ANDERSON. Can you do a better job of catching these people than Caltrans can?

Mr. BROUSSARD. We think that once Caltrans implements their system and if they maintain the types of people in the system, we think that Caltrans can do an admirable job in doing this.

Mr. ANDERSON. Almost as good?

Mr. BROUSSARD. No, I think they can do as good a job. I don't think that we have anything that is any different than Caltrans. I do have to say that the reason why Caltrans has chosen to revamp their entire certification system was because of the encouragement of the civil rights representative from the Federal Highway Administration and the Century Freeway Affirmative Action Committee and they found with that encouragement that it was wise to revamp their certification process. So, I think that having an outside watchdog group that will question what is happening with the certification system was the impetus that caused them to revise their certification.

Mr. ANDERSON. Now, you have said that the use of minority subcontractors does not increase project costs, but if a contractor could cut costs and submit a lower bid to get a project by subbing out, wouldn't he or she do that? So, what is wrong with the argument made by some that subbing out to anyone, minority or otherwise, will drive up construction costs? Now, I am told that normally less than 10 percent of a highway project is subbed out.

Mr. BROUSSARD. Well, I don't know where those figures come from. We are finding that approximately 40 percent of the highway projects that we are looking at right now will be subbed out. Now, in the State of California, under the DOT rules, we do have a rule that says at least 30 percent of the project has to be done by the prime contractor, meaning that the remaining 70 percent may or may not be subbed out. We are finding that on the average that at least 40 percent of the project is being subbed out, at least on the highway projects that we are looking at to date.

Mr. ANDERSON. I believe we had testimony before our committee in Washington where, on a national basis, that 10 percent figure was cited. I believe it was from a representative of the Association of General Contractors. I am not positive, but I believe that was where I heard it. I know the testimony was before our committee.

Mr. BROUSSARD. I read something in a national publication where there was testimony that it would be difficult to meet the 10 percent goals that was alleged for one of the minorities and that the minority business program will cause an increase in costs. We suggest that—we have a lot of laws in this country that cause increased costs. We have a bunch of environmental rules that I am sure cause increased costs. We have licensing requirements that cause increased costs. It is always very curious to me that when it comes to dealing with individuals who traditionally have been denied equal access to the economic system of the country that then we suddenly become concerned with costs.

Our posture is simply that it is not costing more than a reasonable bid amount to use a minority business program. In other words, if the engineers at Caltrans and Housing Community Development, their architects, say this is what it should cost and if people can come in with that price and meet the minority business program, then we contend that it is not increased costs.

I am certain that if we eliminated the environmental standards that we could reduce costs, but I am certain that that would not be something that we would want to do because it would not be advantageous to our environment.

By the same token, if we eliminated a minority business program, there would probably be some reduction in costs, but at the same time we would be denying individuals access to the economic portion of this country. If we eliminated small businesses, we could probably reduce some costs because larger businesses can do it cheaper than smaller businesses. That is what everybody seems to tell us, but I am sure that we don't want to say you don't have to use small businesses and we drive the small businesses out of—which compose about 80 percent of our cooperation—we don't want to drive them out of business.

Mr. ANDERSON. We appreciate very much your input because we know of your experience. The 10-percent amendment that was added on the floor of the House to my bill was a rather rigid 10 percent, except that it gave the Secretary the power to negotiate and make it realistic. If you remember when she first came out, her first indications were that it was going to be very rigid and that is when Representatives from North Dakota and other similar States came in and said, there is no way in the world that we can meet that 10-percent requirement.

Now, more recently as a result of the input to the Secretary's office and the Federal Government on this, they changed the direction of it and both sides have voiced very little criticism, so it looks like it is going to be acceptable. I realize there have been people on both sides who made attacks upon it, but it is now going to be one where the contractor has to have a plan better than this good faith effort that you talked about. They want an actual plan reaching a specific goal and showing how they are going to do it and then follow it up to see how they are implementing that plan. So, that is how they are going to work it. But in talking with the Secretary—in my talking with her, she kept using the word "disadvantaged," "disadvantaged," "disadvantaged," more than she did the the word "minority." Finally, I broke in and I asked what do you mean by "disadvantaged,"? She said: Well—and then I went through the various minorities in my area to see where she was coming from. And she said: "Suppose the minority was Chinese and he has $50 million, and he is a graduate of Princeton. I probably would not think of him as disadvantaged." I said: "What about an Hispanic that has $50 million, and is a graduate of Princeton?" And she said: "I would have to consider him not too disadvantaged." And I said: "What about a Black that had $50 million and graduated from Princeton"—and I don't know how many will fit that category. And she said: "I would have to consider that not disadvantaged."

Now, Mr. Broussard, I notice when you are talking you never use the word "disadvantaged." Now, if this word "disadvantaged" does come into the formula, so we start looking at a minority and once he becomes successful or makes a success out of his business so he goes over that level of being from a disadvantaged classification to an advantaged person, you still count him as a minority as far as your percentages. What would happen if we had to choose between advantaged and disadvantaged people as being minorities?

Mr. **Broussard**. Well———

Mr. **Anderson**. I have a hunch this has come before you. I don't know.

Mr. **Broussard**. The definition that we use, we use the definition of small business first. We are talking about minority owned businesses that are small businesses and SBA has a very definite definition of amount of money that that business earns to let you be a small business. So, we are talking about small businesses. When we talk about minority- and female-owned businesses, we are talking about small businesses as defined by section 3 of the Small Business Act.

That is what we talk about and certainly if you earn $50 million a year you would fall outside of———

Mr. **Anderson**. Not necesarily. It depends on how many people you have working for you. I think that is what determines the small business. I mean, you can have a small business that makes good money and———

Mr. **Broussard**. The definition that we use by SBA has a dollar as well as employee definition, so there is a scale there, but generally it would probably be somewhat—and it goes over a period of time. It goes over a 3-year period of time, the amount of money that you earn.

This is not necessarily CFAAC's position. This is Clarence Broussard's position. I have a great deal of difficulty as viewing myself as being disadvantaged. I am a member of a minority group, but I in no way consider myself disadvantaged nor am I culturally deprived or any of those other nice sociological terms that people have at various times labeled. I think that as a minority individual in this country, if I am going to be a business person, then I cannot perceive myself as disadvantaged. That is contradictory to entrepreneur. What I am asking for is an opportunity to participate and what I am saying is that there have been systems that have been established in this country, either intentionally or unintentionally that have seen to it that I did not have the opportunity to participate.

In order to insure that I have that opportunity, you are going to have to take some affirmative action to knock down those barriers, which means you are going to have to tell people you are going to have to do a little more than you would normally do because you set up some barriers that kept this young person or persons from participating. You are going to have to take some affirmative action to see that they get a chance to participate.

So, I in no way consider myself disadvantaged. To the contrary, I was born and raised in this corridor and I consider myself very advantaged by virtue of the fact of being raised and born in the State of California and being a member of a minority group and particularly the particular minority group that I am in. What we want is we want economic advantages, as well, and what our minority business program preaches to minority-business and female-business people is that you are not going to get anything for nothing. The name of this game—this is not a welfare system we are running here. What we are going to do is we are going to insure that you are able to get into the process, that you can compete. We will assist you in competing. We will assist you in overcoming barriers that have prevented you from competing.

Now, the bottom line of all this, Mr. Minority or Mr. Female, Ms. Female business owner, is you will have to produce. You will have to produce at the same level of quality as any other individual and you will have to perform at the same level as any other individual. There are no points given for nonperformance.

So, that is what we are talking about and the amendment that was added to your bill, I believe, that is what the maker of that had in mind. I can't speak for what the Secretary means by "disadvantaged," but if she wants to know, Clarence Broussard does not consider himself disadvantaged.

Mr. ANDERSON. I am glad to hear you say that and from what you are saying then, you as an individual—maybe the organization you represent may have different views but when we talk about minority participation, whether it is minorities or females or whoever it is, we count them all, regardless of whether they are economically advantaged or disadvantaged. In other words, the fact of how much money they have, you are not going to take that into consideration when they are applying for a contract.

Mr. BROUSSARD. We will follow the SBA definition of small business. If I happened to luck out and somebody wanted to give me General Motors, then I probably would not qualify as a small business, but we use the definition of small business and that is what we were saying in our opening remarks, that the beauty of the Century Freeway project is that it is a small business program.

I talk to a lot of nonminority small business persons, who are also interested in what we are doing to participate in the program. So, we are basically running a small business program with emphasis on women and minority small business owners.

Mr. ANDERSON. Does an adequate job training program exist in the area of the Century Freeway to support this level of MBE participation?

Mr. BROUSSARD. No.

Mr. ANDERSON. Do you want to go into that a little bit because I thought somebody mentioned earlier that there was a job training program.

Mr. BROUSSARD. There is. There is the beginning of one in cooperation with Caltrans. We are in the process of developing a highway training program. There is not in existence an adequate job training program within the Century Freeway corridor to insure that individuals who reside in this community have an opportunity to participate in the jobs that are created by the freeway. There is an adequate pool of minorities and—particularly minorities—within the southern California area to probably do a number of the jobs, but you would have to go all over southern California. The court order said you are supposed to develop this area, supposed to develop people in Downey, Lynwood, Norwalk. Those are the individuals who are supposed to have a chance to work on the job. Moreover, it says you are supposed to bring in new people, people who traditionally have not been in the various crafts associated with the construction trades.

While there is an apprenticeship program that is ongoing, it does not necessarily focus on the Century Freeway. So, we feel that you do need to have as a project cost a training program that is particularly geared to the residents of this particular corridor and we are working right now with Caltrans and Federal highways in developing that type of training program.

Mr. ANDERSON. Getting back to my other question, it is my understanding that under the new DOT regs, the presumption is that a minority is disadvantaged unless another contractor comes forward and disputes the presumption. So that if someone comes in who is a minority, and once the bids are made, becomes the successful bidder, they will just assume on the fact that he is a minority, it makes him qualified, that he meets the disadvantaged qualification unless another contractor comes forward and disputes the presumption that he is disadvantaged. I think that is where it is right now.

Mr. BROUSSARD. It is commonly assumed that if one is a member of an ethnic minority group and was born in the United States or Central America that they are a disadvantaged person. Where the term "disadvantaged" gets a lot of play is in your female in businesses. There is considerable discussion—I am sure it is in Washington, with the Women's Bureau in Washington, there are some people who believe that women as a group should be classified as disadvantaged. There are other individuals who are arguing, well, is President Reagan's wife disadvantaged if she starts a business. What about her experience has caused her to be disadvantaged.

The reason why you have minority groups typically, automatically, declared as disadvantaged is because people generally assume, and it is probably very correct, that by virtue of being an ethnic minority, particularly born in Los Angeles, California or in the United States, that you probably have had experiences that have denied you equal access to the system and, therefore, you have, in fact, been disadvantaged in terms of gaining access to the economic system.

Now, where people jump the boat is that they automatically look at folks—and when I was going to high school, they were declaring me as culturally disadvantaged or culturally deprived, so that they label the person. They say you are disadvantaged. I don't think of myself as being disadvantaged. The minority group is disadvantaged, disadvantaged in terms of having access to the system. That is where we are disadvantaged. We are not disadvantaged as a person. There is nothing wrong with us and some people use the term "disadvantaged" to say there is something wrong with you.

Now, the new legislation, your amendment, wanted to call them socially and economically disadvantaged, which is a perfectly different term than just using the blanket word of "disadvantaged," which we buy that term "socially and economically disadvantaged."

Mr. ANDERSON. Now, the housing construction contracts for the Century Freeway are being awarded under a request for proposal procedure. How much of the time which is used to evaluate proposals is used for MBE and affirmative action plan evaluation?

Mr. **Broussard**. Well, considering that the current RFP was released a year ago last April and we only have six projects that have been funded, very little time is used toward the MBE evaluation. The rest of the time is used in some other activities that don't have anything to do with the MBE evaluation. We basically—I think probably in the course of that it is probably about a two-week period of time that is used for the evaluation of MBE information.

Mr. **Anderson**. Are you aware of any contract proposals that have been significantly delayed as a result of the CFAAC review?

Mr. **Broussard**. We are told that all of them are being delayed as a result of the California Housing Finance Agency review.

Mr. **Anderson**. Why don't you ask a question, Ken?

Mr. **House**. Thank you, Mr. Chairman.

Just one question I want to ask, Mr. Broussard. We have received testimony before the committee that part of the problems for lack of participation, particularly in the highway program for minority businesses, has been institutional barriers set up in the state level. What has been your experience; for example, bonding requirements of construction—small business construction companies getting started? What has been your experience for small or minority businesses being able to participate in those programs or get over those traditionally institutional barriers implemented at State levels or being that State firms—small business firms can only bid on contracts within a State or certain localities?

Mr. **Broussard**. As prime contractors, the bonding—for a prime contractor, if a minority or female business wants to be a prime contractor, bonding does pose quite a problem because they don't have the equity necessary to get the bonding limits.

But as subcontractors, generally it is not a requirement that the sub necessarily be bonded if the prime is bonded and that is what we basically focus on, is subcontract opportunities rather than the prime contract opportunities.

We have found that bonding is not the problem. The problem is cash flow, financing to get you through the first month of payment. Now, one of the things that has happened on the Century Freeway—again, credit to Caltrans—I am really giving them a lot of praise. They are probably shocked back there, but they set up an accounting unit that is specially geared toward the Century Freeway. The person who is in charge of that, Ms. Frances Conn, is doing a phenomenal job, so that the people get paid on a timely basis. Now, this is not necessarily the way it happens in all State contracts.

This process works rapidly for the prime contractors through monitoring—again that monitoring word. We monitor to insure that the minority subcontractor receives his payment on a timely basis. So, bonding at the subcontractor level has not posed a major problem. At the prime contractor level, it is a problem, particular on the performance bond and the problem with that is that minority firm has never done that level of work, don't have the cash reserves to back up that type of bond.

What we are doing by increasing them at the subcontractor level in terms of types of work that they perform, then we are increasing their bonding capability at that level so that they will grow into being prime contractors. Let's say we have a bachelor's program for contractors where you are a subcontractor and then once you become a prime, you are at the master's level and the doctorate level. So, you have to grow into that. We haven't found bonding as a barrier to getting minority contractors in.

What we have found is that there is a tremendous distrust in the minority—particularly the minority business community—toward the State of California's highway program. They don't feel that they have a chance of becoming involved and what we have to do sometimes is almost pull them in, literally dragging. Now, we have one subcontractor who just got involved in a project who said for 12 years he had been trying to get into the process.

What we have simply done is we have taken the process and now we are going to the streets with it and we are sitting down with people and we are saying this is what you have to do, one, two, three, four, five. And that has been available at Caltrans, but there is a different environment at Caltrans that at the Century Freeway Affirmative Action Committee.

Perhaps, part of that difference is the fact that the folks who are working for Century Freeway Affirmative Action Committee came out of this community, were educated in this community, who have run around this community with the minority business and female business people who are now running these businesses and maybe we have a little legitimacy when we talk to them and they are willing to buy into it.

The other problem is it takes a long time to get funded by the State of California. If you were in the housing program, you have been now waiting for 1½ years to get the housing contracts off the ground. So, people get impatient. They say, well, wait a minute. I am trying to make a living. I can't wait that long, so we try to give them the proper timing to come into the process and what we are trying to do is work with Caltrans in expediting as many of the projects as possible.

Mr. ANDERSON. Thank you very much, Clarence, for an excellent presentation.

Mr. BROUSSARD. Thank you.

Mr. ANDERSON. Any way we can cooperate, let us know.

Mr. BROUSSARD. You certainly will hear from me. Thank you.

Mr. ANDERSON. Our final witness is Violet Rabaya, the corridor advocate of the Office of the Advocate for Corridor Residents.

The full text of your prepared statement will appear in the record at this point.

[Statement referred to follows:]

TESTIMONY OF VIOLET C. RABAYA, CORRIDOR ADVOCATE, OFFICE OF THE ADVOCATE FOR CORRIDOR RESIDENTS

As this Subcommittee is aware, the Office of the Advocate for Corridor Residents was established by the U.S. District Court to monitor the State Department of Transportation's compliance with all state and federal regulations pertaining to the relocation of persons displaced by the Century Project and to generally monitor the manner in which this Project affects the corridor population.

Since last year's hearing, the Office, due to the change of administrations, has had to reestablish its processes with the new appointees and, most importantly, because of the high priority which this Administration has placed on the Project, has had to concern itself with an accelerated construction and displacement schedule.

Since our last status report to the U.S. District Court, a monthly Century Freeway Coordination meeting between all the department heads and independent agency directors and the Center for Law in the Public Interest was established to comply with the Court's order to create a forum wherein issues affecting the Project could be resolved on a regular basis by persons possessing the authority to make the appropriate decisions. In my comments last year concerning the need to maintain a Century Freeway Coordinator position to facilitate negotiations between the agencies, it is my belief that the creation of this coordination meeting is, at least to this date, fulfilling the same purpose as the coordinator position. I am, therefore, pleased that such a mechanism has been created to resolve disputes. It is likewise a good indication for the Project that the new Administration has appointed an individual, Mr. John Kosak, as Chief of the Century Freeway, having the authority to make decisions at the Sacramento level regarding the entire Project.

As to the types of inquiries and complaints that our Office has been receiving since last summer's report to you, it can generally be stated that the number of questions concerning the areas of acquisition, relocation assistance benefits, and the availability of replacement housing have increased significantly and appear to mirror the increase in acquisition activities by Caltrans. As before, maintenance and other property management complaints continue to be an item of great concern by the corridor population. The lack of replenishment housing under the Replenishment Housing Program established under the Decree has also now become an area of major concern inasmuch as the housing shortage in the Los Angeles area has not been alleviated to any large extent, therefore accentuating the need to develop replenishment housing as soon as possible.

To give the Committee concrete examples of the types of relocation problems caused by the lack of affordable and available replacement housing, it is appropriate to comment upon the two early eviction projects, the Normandie Project and the Paramount Project. The Normandie Project involved the early eviction of approximately 45 households. Most of these individuals were not fully RAP eligible, meaning that they did not have benefits under the Uniform Relocation Act to provide for such things as rent differential payments and other moving benefits. Therefore, many of these families were faced with the problem of relocating to other housing without any real assistance whatsoever. Many of the families were low-income families and did not have the income to make the move. Others, because of property management problems occasioned by the master tenant, had just recently moved into the building under the false pretense that the parcel would not be required for construction for several years. There were also maintenance problems related to the building which affected the proper crediting of rent as well as caused general habitability problems, making some of the units almost untenable. Given this myriad of issues concerning this particular early eviction project, it appeared to our Office that some extraordinary measures to humanely relocate these families to affordable housing needed to be untaken by Caltrans. The necessity for such measures was required despite the fact that under the law there was no legal obligation to provide relocation benefits or services to these people. The moral obligation to do so was clear to us.

After much debate and after several community meetings with a tenant rights group representing some of the tenants, Caltrans, and the Department of Housing and Community Development, Caltrans did develop a relocation plan to provide these persons with assistance in relocating and/or other relocation benefits. Pragmatically speaking, the costs in providing the assistance that was finally approved by Caltrans in its relocation plan turns out to be the most cost effective manner in dealing with the clearing of this Project, as it circumvents delays that could have been occasioned by holdover tenants and other lengthly eviction processes. This Office will note that while we labored together during several meetings and for an intense period of time with Caltrans officials and other involved agencies, we do applaud Caltrans' efforts in this regard and believe they have displayed sensitivity toward the plight of these individuals which is unprecedented on this project. The method of implementation of the Relocation Plan established through the Normandie Project will be tested again on the Paramount Project and in immediate future projects involving the relocation of several hundred tenants. Until replenishment housing is available under HCD's program, this Relocation Plan and its proper implementation is absolutely essential to ensure the equitable and efficient relocation of persons in the early construction projects.

While we believe that the new Administration is undertaking measures to communicate with our office and to address displacee concerns in a more organized fashion and appears to be amenable to establishing new procedures for the resolution of displace concerns, there are, of course, remaining issues of dispute between our agencies. We are still at an impasse concerning the overall scope of our Office's authority to monitor Caltrans' acquisition activities and to provide dispositions in this area short of resorting to condemnation. As our Office has stated many times in the past, the appraisal and acquisition of a displacee's home is perhaps the most crucial item of concern to them in the relocation process. The inability to administratively redress legitimate disputes concerning the fair market valuations of their properties constitutes a serious impediment to the credibility of this Project in that displacees will be hardput to accept Caltrans' methods of acquisition if they are essentially told that unless they accept the fair market value established under Caltrans' appraisal that their only recourse is condemnation. In our view, it would appear to be bureaucratically wise to allow for the administrative review of disputes in order to forestall possible litigation by displeased individuals which would delay the Project as well as to preserve the integrity of the process.

Last year one of the major issues brought to our attention was the security of the corridor. Our office still receives calls concerning security and believes that the safety of corridor residents must continue to be a high priority.

As a final comment, due to the increase in activity on the Project and the corresponding acceleration of displacements, our Office is in current need of increasing its personnel to meet the needs of displacees. We have hopes that some of the comments I made last year concerning Caltrans' use of the budget approval process to hinder our Office's ability to effectively serve the corridor population will not occur during this set of budget negotiations.

If you have any questions, I will be happy to answer them. Thank you.

Mr. ANDERSON. Please proceed.

TESTIMONY OF VIOLET RABAYA, CORRIDOR ADVOCATE, OFFICE OF THE ADVOCATE FOR CORRIDOR RESIDENTS

Ms. RABAYA. First, I would like to thank you for the opportunity to appear before you again, as I did last year, to explain what our office is doing and how we see this project from our vantage point.

As this subcommittee is aware, the Office of the Advocate was created to monitor Caltrans' compliance with the Federal and State regulations pertaining to the relocation of persons being displaced by the project and to basically monitor the manner in which this project affects the corridor population.

Since last year's hearing, the office, due to the change of administrations, has had to reestablish its processes with the new appointees, and most importantly, because of the high priority which the administration has placed on this project, has had to concern itself with an accelerated construction and displacement schedule.

Since our last status report to the U.S. district court, which was in April, a monthly Century Freeway coordination meeting between all department heads and independent agency directors—which is myself and Clarence—with the Center for Law in the Public Interest was established to comply with the court's order to create a forum wherein issues affecting the project could be resolved on a regular basis by persons possessing the authority to make the appropriate decisions.

I think you will recall last year one of the issues that came up in the hearings was the need to maintain Century Freeway coordinator and we talked about using that position to help negotiate between the agencies. We think that the creation of this coordination meeting with all of the agency heads serves the function that that Century Freeway coordinator did previously and, therefore, we are quite happy that the new process involves a monthly regular meeting with all the department heads.

Mr. ANDERSON. That is the one that meets once a month?

Ms. RABAYA. Once a month. Also, I think it is a good indication in terms of the commitment that the administration has for the project that the Governor has sought to appoint Mr. Kozak as the chief of the Century Freeway project so that we would have a single individual in Sacramento to go to who could render decisions from his position. We feel that that is a very good indication on the part of the administration that it intends to resolve issues as they come up and that we will have access directly to the highest levels of Sacramento.

As to the types of inquiries and complaints we received since our report to you last year, I think the general observation that we can make is that the questions concerning the areas of acquisition, relocation assistance benefits, and the availability of adequate replacement housing have increased significantly and that they appear, obviously, to mirror the increase in the acquisition activities by Caltrans.

As before, maintenance and other property management complaints continue to be an item of great concern by the corridor residents. The lack of replenishment housing under the replenishment housing program established under the decree has also now emerged as one of the great areas of concern, inasmuch as the housing shortage in the Los Angeles area has not really been alleviated to any large extent and, therefore, the need to develop replenishment housing as soon as possible is very important.

To give this committee concrete examples of the types of relocation problems that have been caused by the lack of affordable and available replacement housing, we would like to comment on two of the early eviction projects, the Normandie project and the Paramount project. Perhaps this committee is aware of some of the political stir that was caused by the Paramount project, but I think we should start where the problem surfaced and that was with the Normandie project, which involved the early eviction of approximately 45 households, mostly low income.

Since most of these individuals were not fully RAP eligible, which means that they did not have any benefits due them under the Uniform Relocation Act to provide for such benefits as rent differential payments and other moving benefits, there were great problems with this relocation effort.

Many of the families were faced with the problem of relocating, therefore, without any real assistance whatsoever. They were low income. They didn't have the economic resources to move. There were others, because of property management problems caused by the master tenant, who had been running the building, who had just recently moved into the building under the false pretense that the building would not be acquired for several years. I think this was also, from my understanding of the facts as we investigated this matter, was actually in direct—it was contrary to the agreement that the master tenant had with Caltrans in that it should not relet any premises when it was getting near to the time that the property was going to be needed.

But, nonetheless, there were a few tenants in there who had actually come in, let's say, in November, paid their first and last, moved in and were told 30 days later that they had to move. This caused some great problems for a few of these tenants, but the major problem was that most of these tenants were just not eligible for any benefits and that they didn't have any kind of relocation assistance that was due them, other than perhaps giving them a few addresses of housing that might be available.

There were also maintenance problems, horrendous maintenance problems, in the building that caused the building to be close to being completely uninhabitable, at least for some of the units. Now, Caltrans did speak with us on this project and since there were so many issues involved in this particular early eviction project, it appeared to our office that extraordinary measures to humanely relocate these families to affordable and available housing needed to be undertaken by Caltrans.

Our office felt that the necessity for these measures was required despite the fact that there was no legal obligation on the part of Caltrans to provide any relocation benefits. It felt that there was a moral obligation and that was obvious, since there were differing manners in which they were told about relocation benefits and which they were evidently confused as to whether or not they were actually entitled to relocation benefits.

Because of all of this and because of the need to move these people out as soon as possible and not delay the project, we felt that some extraordinary measures had to be undertaken. We met and after much debate with the concerned agencies, Caltrans, the Department of Housing and Community Development and in several community meetings with the tenants themselves, who were at one point represented by a housing rights group, we were able with Caltrans to develop a relocation plan to provide these persons with assistance in relocating and other relocation benefits.

I believe—I wasn't here earlier, but it was my understanding that there was a comment made by Mr. Heckeroth on this new relocation plan.

We feel that pragmatically the cost of providing this assistance that really wasn't due them under the Uniform Relocation Act, under their new relocation plan, turns out to really be the most cost effective manner in relocating these people because it circumvents delays that could be occasioned by holdovers and lengthy eviction processes and it is just the right thing to do morally for these people.

While we labored in several meetings and over a very long period of time and maybe from our office's point of view felt that Caltrans wasn't even moving as fast as we thought they should move, we do feel that it is appropriate to applaud Caltrans' efforts in this regard, because they did display sensitivity that, frankly, we didn't think they had. But they did display this sensitivity and this is unpredecented in this project thus far and we feel that this is a sign of better things to come.

The method of implementing this particular relocation plan, which was established, I think, through the impetus of the Normandie project, is going to be tested again in some of the immediate future projects, which are going to require the relocation of several hundred tenants and I think that the plan that they have put together is a sound one. We have some problems with certain features of it, but I think that overall—and we did comment upon it before it was implemented—that it is a good plan and it is a humane plan in that it will, until replenishment housing is available under the HCD program, be—is an essential part of Caltrans' relocation efforts.

Now, that I have gone through—again, as Clarence said, probably to the surprise of Caltrans, applauding Caltrans' efforts in dealing with this particular problem, I will say that this is the kind of cooperation we think is needed on all individual issues.

If we come up with a problem that there isn't or hasn't been in the regulations and doesn't exist in old regulations or hasn't been dealt with before, I think that sound minds and people with an eye toward treating displacees in as humane a fashion as possible, will lead us to the solutions to the problems, whether they existed before.

I think there are intelligent enough people working in all these agencies to figure out a way to move the project along with the expedience that is needed, as well as to provide relocation services to these people without any undue cost or undue hardship on the individual involved.

While we do believe that the new administration is undertaking measures to communicate with our office and to address displacee concerns in a more organized fashion and appears to amenable to establishing new procedures for the resolution of displacee concerns, we do have, of course, some remaining issues of dispute between our agencies. The major one, which I don't know if this committee is aware, but in September we will be returning to court with a petition to address this issue with the Center for Law in the Public Interest. We are still at an impasse concerning the overall scope of our office's authority to monitor Caltrans' acquisition activities and to provide dispositions in the area of acquisitions short of resorting to condemnation.

As our office has stated many, many times in the past, the appraisal and acquisition of a displacee's home is perhaps the most crucial item of concern to them in the relocation process. The inability to administratively redress legitimate disputes concerning the fair market valuations of their properties, we believe, constitutes a serious impediment to the credibility of this entire project in that I think it is very difficult to have displacees accept the position of Caltrans that unless they accept the fair market value, established under Caltrans' appraisal process, that the only recourse is condemnation, the only recourse is to go back to court. In other words, you take it or leave it and that is the general attitude that most people say that Caltrans has toward them when they say, listen, I don't think this is enough money in order for me to relocate, based on your appraisal.

I think there has to be some administrative process to deal with legitimate concerns regarding fair market valuation. Our view is that it would be bureaucratically wise for Caltrans to allow for some type of administrative review of disputes, which have some basis for them and the manner in which we investigate complaints would not take to them complaints that we didn't think have merit. I mean, there are going to be always individuals who will never be satisfied with any amount of money that is offered them, even if that money is fair and equitable. But then there are others who feel, and after our investigation we may agree with them, that they may not be getting fair market value for their homes.

If they are going to be told that there is no way to fight city hall, that there is no way to fight Caltrans, other than hiring yourself a lawyer and going into a lengthy condemnation process that may take 1½ or 2 years and in the meantime disrupt your whole family and all of the resources that you have, I think that that is something that Caltrans should think twice about in that in order to preserve the integrity of the process and in order to show some magnanimity toward dealing with some legitimate disputes through administrative process, that that is the only way you are going to have people feel that they aren't really being bulldozed over by Caltrans.

I think some of it is attitude. I think a lot of times when people come to our office and complain about their fair market value and we go out there and look at the comparable that Caltrans uses and explain the process to them, I mean, for displacees who might be in the back of the room here, there are many times which our office will agree with Caltrans and we will attempt to persuade them that they should accept the offer.

On the other hand, unless there is an opportunity to redress legitimate concerns about the fair market value and the appraisal and acquisition processes that Caltrans has, that unless you are able to do that administratively, I don't think that they are going to think that it is a fair profit.

Mr. **Anderson**. Have there been any independent reappraisals in the past and to what extent have they shown that Caltrans appraisers were off the mark?

Ms. **Rabaya**. OK. The problem we have—and that is why we are going back to court—is that Caltrans doesn't believe that our office has the authority to hire independent appraisers to provide this information, so that the only independent appraisers that could be hired, the cost is going to have to be borne by displacees at this point, in which case the displacees——

Mr. **Anderson**. Hasn't that been done at all?

Ms. **Rabaya**. There have been a few condemnations, but they are very few and the reason for them being very few is that they feel like I am going to wait 2 years and I am going to be taking a chance if I don't win. Then I have lost all these legal fees and shouldn't your office be able to provide us with the independent appraisers if you feel that our case, based on your initial investigation and evaluation of our case, feel that we have a legitimate claim and shouldn't your office be able to provide us with that service? Why do we have to go inpocket and take the risk and go through a condemnation proceeding to sit down and administratively discuss whether or not you are $10,000 off the mark?

That is what the problem is. So, I think that we have found in many of the people—many of the people end up accepting the offers, but they do so reluctantly and that is why they continue to harbor these ill feelings against Caltrans because they feel that they were backed into a corner and have had to accept them because there is just too much hassle and proceedings, since our office does not have the resources or, at least, has been prevented from providing independent appraisers to date. That is the reason why we are going back to court, to ask the court for the authority once and for all to say that our office, when we feel that a case has merit, has the authority to hire an independent appraiser to dispute the appraisal of Caltrans' appraisers, if we think it is necessary in order to resolve a situation and change the amount of fair amount that they are receiving.

Mr. Anderson. You say, there have been a few court cases.

Ms. Rabaya. Well, we don't go to court often.

Mr. Anderson. Not you, but the people when they have gone through the condemnation procedure. What did the condemnation procedure do? Did they award them more money than Caltrans?

Ms. Rabaya. I don't know. I think you would have to ask Caltrans that. I haven't followed whether it was the one or two that might have existed. I would presume they win some and they lose some. The point is is the fairness of the process and whether or not the individuals out there feel they have the opportunity to say and Caltrans will respond favorably to looking over an appraisal. I mean, everybody can make a mistake. Caltrans can make mistakes.

Mr. Anderson. Is there any evidence that Caltrans has been off the mark?

Ms. Rabaya. I think so. In our view, yes. We have some test cases that we have put to them and I think that what we are saying is that you tie our office's hands, since our office has only a limited amount of expertise. I mean, we are not appraisers. I am not an appraiser. My staff are not appraisers. We have some—we do try to have some of our staff take courses in appraisal, but we are not certified appraisers, anything like Caltrans is.

We are going to hear the argument from Caltrans, I suspect, that, well, that is your office's point of view. You don't have the expertise to make that determination and we would agree with them, but the only kind of people who have the expertise to make the determination to dispute an appraisal is an independent appraiser, who is certified to do an appraisal. Then we have the means to say, OK, our independent appraiser says this. Your appraiser says that. We think we are pretty far apart. Would you review this matter?

Now, Caltrans may end up saying, no, we will stick by our guns and the only thing that could happen after this initial administrative review is to go to condemnation and that is their prerogative. What we are saying is that these people should have an interim administrative review process to allow them, in the event that we feel that they have a legitimate beef with Caltrans' appraisal, to do so. And absent that, I think that the consensus by displacees who have called our office and have complained about fair market valuations is that they are up against a brick wall, that Caltrans' appraisers come in there and say, listen, if you don't like it, then take us to court. I just don't think that that is the appropriate attitude and I think the Century project should have a mechanism to allow them administrative review where it appears, at least from our office's point of view, that there is some merit to their claim.

We feel that our office should be armed with independent appraisers who can make those determinations because I think legitimate on the part of Caltrans to say that, Violet, you don't have an appraiser's expertise to tell me that my agents have not appropriately appraised that piece of property and I am saying, OK, fine. Let me consult out to an independent appraiser on behalf of this displacee because in our initial view, because we do have some expertise, because we have reviewed the process and we have taken some limited appraisal courses and we do know some of the basics about appraisals and we do know how to compare one neighborhood to another and we do go out in the field and do that, that we should have the ability to offer these limited—on a limited basis, on a case-by-case basis, in order to fulfill our monitoring mandate, as well as to solve some individual cases of aggrieved displacees to have the power to do that from our office.

Mr. ANDERSON. What percentage of displacements would you guess would utilize independent appraisals and what would be the cost?

Ms. RABAYA. We have estimated and we have asked Caltrans, I think in our last talks in the last months, to do probably 5 to 10 independent appraisals a month and it will probably cost—we had asked for a budget item of $25,000 as a pilot project to see if the process would work and we have been refused. OK? And that $25,000 is just to see if in fact the process could work in the manner we envision it could work.

If it turns out—and we are amenable to reviewing the process. If it turns out to really be an impediment to moving the project forward or it turns out that a hundred percent of the displacees—I think one thing that should be emphasized is that whether they ask our office for them or not, is not the controlling point. Our office would have to make an independent determination of its own as to whether or not we feel that individual should get an independent appraiser based on our valuation of the process.

There are going to be many of them where we are going to say, no, we don't feel that our office—that your case merits an independent appraiser. If you feel that you are still being deprived of your rightful amount of money for your home, then you will have to go out and hire your own independent appraisers. But for those families who we feel have a legitimate beef, I think we should be able to, on a case-by-case basis, just in terms of a limited monitoring process, be able to do that.

We have asked for $25,000 for that for this fiscal year and we have been refused and that is part of the reason why we are going back to court.

That is the major area of concern as it relates to displacees who are homeowners. There are, of course, other areas of concern relating to the relocation benefits and the processes for the tenants who don't have these kinds of benefits.

I think the process is going to evolve in terms of how the replenishment housing program works to see if it is going to meet the needs of displacees in providing them with houses. So, there is a whole arena of ground that we haven't covered yet that we are going to have to deal with in terms of making sure these people are properly relocated.

But I think what we would like to see Caltrans accept is our view of what our office is mandated and that is if a displacee or a corridor resident calls our office and complains about relocation benefits or complains about the policing of the corridor or complains about the habitability problems, maintenance problems of Caltrans-owned property that they are occupying or Caltrans-owned property that is vacant or complains that they are not getting proper relocation assistance whatever the question is or the complaint or the inquiry or the request for assistance is relating to this project that affects them, we feel we should have the authority to involve ourselves in it, even if it is to merely advise Caltrans of the problem and ask them to report back to us what they have done to alleviate the problem.

We don't feel that our office is merely an answering service that takes complaints and takes calls and then calls back Caltrans and say we have these complaints and these calls and whether you do anything about them or not, we don't care or that Caltrans should take the stance that you are just supposed to report them to us and in those areas where we feel that you do not have the authority to monitor us, if we feel like it, we will give you a response and if we don't feel like it, we don't have to.

I think that there should be an obligation to resolve the problems because if our office is merely a conduit for receiving complaints, then we might as well just get a little answering machine and send a tape to them every month and say here are all the complaints and whatever you guys do with them is your business. We think it is our business.

But getting away from that area, I did mention security in the corridor. We still have some complaints about security. I think a lot of the security problems could be alleviated if they just removed some of the attractive nuisances, that being the boarded-up houses in the corridor.

On the Normandie Project, we found that there were—in fact, we still have a few displacees that are still in the Normandie Project. The place was half boarded up and you have got like five or six families still living there and there are vandals and people who go in there, dismantling old cars and using the place for all kinds of illegal criminal activities.

There was a shooting on that premise just recently. The sheriff's department went in there trying to catch a car thief, who was dismantling his wares in the project, in the boarded-up project and occupied residences, doors were broken down by the police in alleged hot pursuit of these criminals and I think that while it is still a police problem in terms of catching these criminals and making sure that the place is safe, given the fact that part of the problem is occasioned by the fact that you have boarded up houses that attract these criminals who move in and use the premises for illegal activities, that there is an obligation on Caltrans' part to make sure that the remaining residents are dealt with in a safe fashion.

So, basically, I think that with the acceleration—I just end my prepared comments—that with the acceleration of the project, our office is experiencing an increase in the number of inquiries we have, we feel that we need additional personnel to serve the corridor residents and we are hoping unlike last year when I commented to you about the use of the budget approval process to circumvent our office's service to displacees that we won't see that this year.

We feel that there has been a great deal of cooperation shown on Caltrans' part with the new administration. In dealing with our budget, the process has moved on. In fact, we are now putting together a new timetable for budget approval process so that we can do some of our things. So, we are heartened by the new attitude displayed by Caltrans on that regard, but the remaining problem we do have is making sure that we can deal with all the types of inquiries, particularly those relating to acquisition and appraisal that are brought to our attention and that Caltrans will see fit to do that.

Of course, since they have indicated that from their point of view—and that is their prerogative, that is their interpretation of the consent decree—that they will not do so, will not provide an independent appraiser, will not officially say that we have any right to monitor their acquisition activities, per se, that we will have to go back to court to get a court order to do so. I believe we will be successful in getting that court order, but I would hope that we could—I had hoped that we could do that without resorting to this last resort of going back to court.

But generally speaking—I don't want to end on a negative note—I think that things are looking better and I think the cooperation on the part of Caltrans is better and I think some of the mechanisms that have been set up and established with the creation of the coordination meeting and Caltrans' willingness, in fact, to have a monthly meeting with us to discuss policy matters involving their shop and our shop—that we have a monthly meeting with HCD on a monthly basis also that we participate in now, which we didn't participate in before—I think all these are good omens for the project.

Mr. **Anderson**. During the hearing in October, you stated that 60 percent of the complaints received by the office of the advocate concerned maintenance of Caltrans-owned property. With the removal of some of the housing units, do the majority of the complaints still concern maintenance?

Ms. **Rabaya**. I don't think the majority of them. There are still quite a few complaints, maybe not quite 60 percent. More of the calls that have come in recently have come in relating to acquisition activities because Caltrans is acquiring more properties and there are inquiries as to whether or not they can have independent appraisers, whether or not we can participate and be with them during the negotiations for the acquisition of their property, whether or not we will explain to them what their rights are.

We have some property management problems with some of the tenant-occupied dwellings, but we obviously aren't getting quite as many calls on lack of maintenance of the corridor or boarded-up houses and vacant lots as we were before.

Mr. **Anderson**. Now, as mandated by the consent decree, the office of the advocate is required to monitor and coordinate the complaint and inquiry answering system. Has Caltrans provided sufficient staff to improve the coordination between the offices?

Ms. **Rabaya**. Well, Caltrans does have a liaison who is appointed and we do have a system established whereby our office will call in the complaints to the liaison. The liaison then is supposed to contact the agency heads—or the department heads, excuse me—the individuals who might be charged with resolving the problem and then getting back to us. So, we do have a system and, I believe, at least on Caltrans' part, they have enough personnel to answer our inquiries. We don't believe we have enough personnel to answer displacee inquiries, but I think on the part of Caltrans, yes.

Mr. **Anderson**. As the construction of the I-105 accelerates in the near future, will the role of the office of the advocate change in respect to how the office represents displacees?

Ms. **Rabaya**. Theoretically, I don't think it has to change. I think that by virtue of the type of activity that is going on, for example, the increase in acquisition activity, we are just going to get more calls on acquisition, because that is what is affecting them. We are going to have to—I think that we will have, obviously, more field visits concerning looking at the comparables that are used by Caltrans to appraise properties, looking at the comparables that are used by Caltrans to determine the replacement values for the replacement differential benefits. So, we will be out in the field more often looking at comparables than we have been before, because there are more acquisitions that are occurring. We still go out in the field now to document the maintenance problems when we get maintenance problems in the corridor, so I don't think that the general tenor of our office's activities will change. I think that we will increase in terms of volume in certain areas.

Mr. **Anderson**. During the 98th Congress, the committee will be considering amendments to the Uniform Relocation Assistance Act of 1970. Now, has your office had the opportunity to review S. 531? That is the Senate-passed amendments to the Uniform Relocation Act and, if so, would you comment on the proposed amendments and any impact that it or they may have on the I-105?

Ms. **Rabaya**. I haven't seen the text of the latest amendments, if they are new. I think last time when we spoke to the committee we were concerned with the Senate bill removing some benefits, cutting in half the amount of time—the period for getting rent differential and cutting in half the amount of down payment match. We are concerned about that. We think that the original bill is too low, at least in terms of down payment match.

We are concerned with any kinds of cuts in the benefits, generally speaking. I haven't had a chance to really review the bill in detail, but as to another area regarding business displacements, we think that the old bill and, obviously, the new bill, if it hasn't had any changes or, in fact, reduces the amount of benefits is woefully insufficient to provide for the displacement, particularly of small businesses which are being relocated.

We have gotten calls in our office from small business displacees, who feel that their whole livelihoods are being curtailed by their displacement. In other words, when you have a $15,000 ceiling on in lieu of business payments to that business that is—especially if they have to relocate to a totally different area, they feel that all of their business goodwill is lost and when you have a small business, it doesn't have the resources to write it off and then relocate and then build another building somewhere else, that the benefits are not sufficient to fill their needs.

Mr. **Anderson**. I would appreciate any suggestions you might have on the legislation and you can keep checking on it. I would say the same thing to Caltrans. I would feel that we are going to be looking to you people out here, your particular group, as well as Caltrans and some of the rest, as to how these new amendments and these new proposals are going to work in this particular case. I suppose we may look at it from two different points of view, one, how it affects this particular area, the situation where it is under the court decree and the others where it is not. I mean, we may have two different kinds of amendments we may have to look at.

We would like to have input from you on that point and I say the same thing to you, Heinz, we would like to have input from you people as well.

Ms. **Rabaya**. We will be glad to provide that.

Mr. **Anderson**. I was just asking Paul if he had received anything and I think he shook his head "no," he had not. In other words, you are leaving us totally on our own back there and that is not very wise.

Ms. **Rabaya**. We will provide you with our input.

Mr. **Anderson**. OK. Caltrans has given us information. OK.

Thank you very much, Violet, for an excellent presentation.

Before I close, is there anyone who came in representing Maxie Filer or Compton? They were the only ones who were not here. If not, the meeting stands adjourned. Thank you very much.

[Whereupon, at 4 p.m., the subcommittee adjourned.]

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